

February 4, 2026

NOTICE

The undersigned, Daniel C. Shapiro, Mayor of the Village of Deerfield, pursuant to the provisions of Section 2-24 of the Municipal Code of the Village of Deerfield and 5 ILCS 120/2.2, does hereby call and give notice that the Mayor and Board of Trustees will meet as a committee of the whole at 5:00 p.m. on Monday, February 9, 2026 in the Council Chambers of Deerfield Village Hall, 850 Waukegan Road, Deerfield, IL 60015

An agenda for the committee of the whole is attached to this notice.

The village clerk is hereby directed to: (1) forthwith deliver a copy of this notice to all village trustees; (2) post a copy of this notice of said special meeting not less than 48 hours prior to said special meeting at the village hall; and (3) supply copies of this notice to any news media which has filed an annual request for such notices.



DANIEL C. SHAPIRO, Mayor

**Committee of the Whole Meeting  
February 9, 2026  
Village Hall, 850 Waukegan Road  
Council Chambers  
5:00 p.m.**

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1. Call to Order
2. Roll Call
3. Public Comment
4. Discussion of Impact Fee Study
5. Discussion of Amusement Tax
6. Discussion of Food and Beverage Tax
7. Discussion of Development Projects Update
8. Adjournment

# Memorandum



DATE: February 9, 2026  
TO: Mayor and Village Board of Trustees  
CC: Kent Street, Village Manager  
FROM: Justin Keenan, Assistant Village Manager  
SUBJECT: **Residential Development Impact Fees**

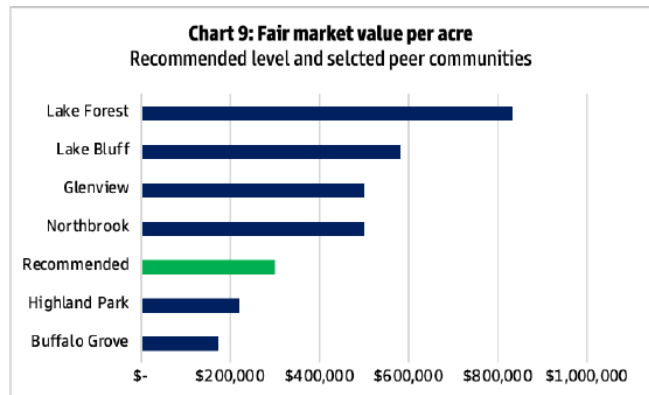
## Background

The Village of Deerfield currently imposes impact fees for new residential development. The purpose of these impact fees is to offset the costs of expanding or building new infrastructure required by the addition of new residents. While impact fees are facilitated by the Village of Deerfield, they are then allocated and distributed to the park district, school districts, fire district, village and library. A vast majority of the fees are distributed to the park district and school districts, in particular, due to their relatively large land ownership and levels of service.

The Village's current impact fee ordinance (O-93-98), which was adopted in 1993, states that developers are required to either a) dedicate land for park land, school sites, fire-protection district sites, and library and Village-use sites or b) make cash contributions in lieu of an actual land dedication.

Last year, the Village contracted with Meech Group to complete an Impact Fee Study that analyzed the Village's existing impact fees and assessed the competitiveness of its fees compared to select peer communities. Staff presented a summary of the study to the Village Board at the September 2, 2025, Committee of the Whole (COW) meeting. At the October 22, 2025, COW meeting staff presented the following recommendations:

1. **Demographic Multipliers:** Update the set of demographic multipliers the Village uses to calculate impact fees from the Illinois School Consulting Service (ISCS) to the Rutgers-Bloustein model.
2. **Levels of Service (LOS):** Update levels of service standards used to calculate impact fees to reflect current levels of services or adopted standards more in line with contemporary practices.
3. **Fair Market Value (FMV) of Vacant Land:** Update fair market value used to calculate impact fees from \$175,000 to \$300,000 per acre of vacant land, which is still below many neighboring communities.



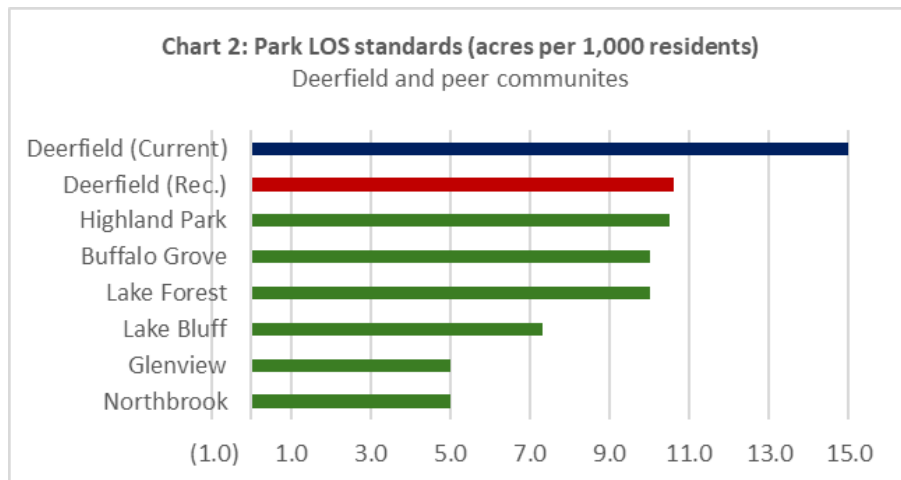
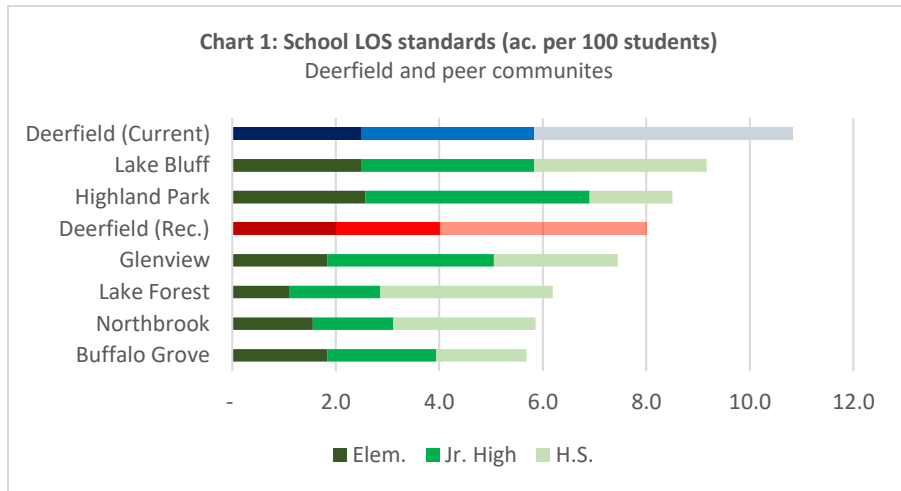
Source: Meech Group

## Considerations

Developers indicated that larger projects would be able to absorb an increase in impact fees; however, even a modest increase would significantly hinder smaller multifamily developments of 40 units or fewer. Based on feedback from both the Village Board and the development community, staff evaluated alternatives to modernize the impact fee methodology while minimizing fee increases. Staff analyzed three scenarios: (1) updating the multiplier, level of service (LOS), and fair market value (FMV); (2) updating only the LOS and FMV; and (3) updating only the FMV. Following this analysis, Scenario #2—updating the LOS and FMV—was determined to be the most cost-effective option while balancing policy goals and development feasibility. By selecting Scenario #2, which retains the ISCS model rather than adopting the Rutgers model, average total impact fees would increase across all housing types by approximately 36%, compared to a 57.3% increase under the original approach. The significant decrease is primarily attributable to the removal of the substantial multiplier increase for single-family attached and multifamily developments included in the Rutgers model. The chart that follows shows the current vs. scenario #2 increase in impact fees per housing type.

Unit type	Current	Recommended	Change	
			Nominal	Pct.
Single Family 2 Bedroom	\$ 7,570	\$ 10,361	\$ 2,791	36.9%
Single Family 3 Bedroom	12,933	17,549	4,615	35.7%
Single Family 4 Bedroom	18,624	25,049	6,425	34.5%
Single Family 5 Bedroom	16,722	22,585	5,862	35.1%
Single Family Attached 1 Bedroom	3,574	4,934	1,361	38.1%
Single Family Attached 2 Bedroom	8,138	11,072	2,934	36.0%
Single Family Attached 3 Bedroom	10,028	13,700	3,672	36.6%
Single Family Attached 4 Bedroom	14,735	19,999	5,264	35.7%
Multi-Family Studio	4,551	6,283	1,733	38.1%
Multi-Family 1 Bedroom	5,889	8,129	2,240	38.0%
Multi-Family 2 Bedroom	7,058	9,655	2,597	36.8%
Multi-Family 3 Bedroom	12,837	17,453	4,616	36.0%
<b>Average</b>	<b>\$ 10,222</b>	<b>\$ 13,897</b>	<b>\$ 3,676</b>	<b>36.0%</b>

One of the key benefits of living in the Village of Deerfield is the extensive amount of Park District land and large school properties. While this open space is a significant community asset, it substantially inflates the LOS variable when compared to neighboring communities.

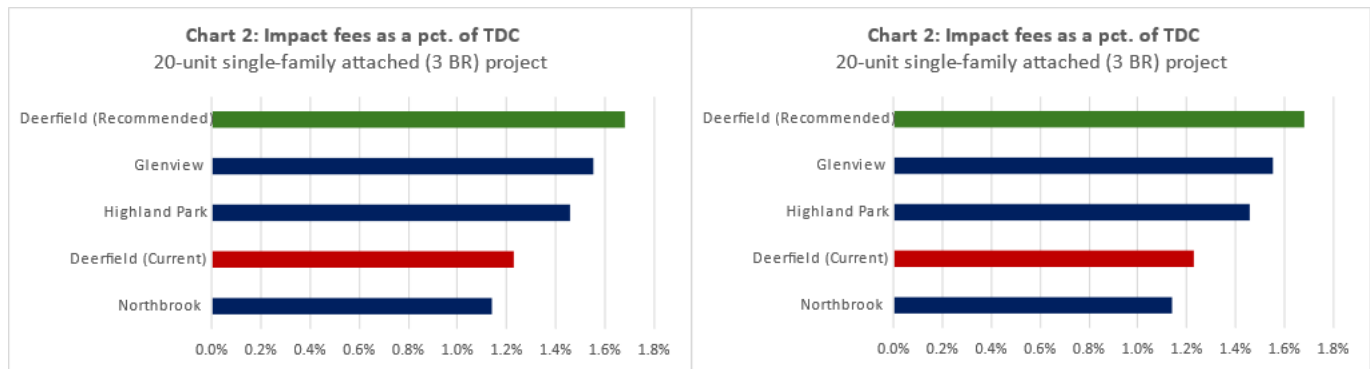


As shown in charts 1 and 2 above, even after reducing the LOS values for both the school districts and the park district, Deerfield’s LOS remains higher than the majority of surrounding communities. This factor, combined with the proposed increase in FMV from \$175,000 to \$300,000, helps explain the resulting increase in calculated impact fees.

**Comparative Analysis of Residential Developments**

To evaluate the impact on small-scale developments, staff worked with the Meech Group to analyze various development types and apply recent local development examples to estimate real-world impacts. In this region, impact fees typically represent between 1% and 2% of total development costs (TDC) and rarely exceed 3%.

The analysis is summarized in the two charts below. Chart 3 illustrates impact fees as a percentage of TDC for a 10-unit single-family home development, while Chart 4 shows the same metric for a 20-unit single-family attached development. In both scenarios, impact fees remain below 2% of TDC and, although higher than those in some neighboring communities, remain consistent with industry standards.



The charts below provide a comparison of the actual impact fees for these two development scenarios relative to neighboring communities. In both cases, Deerfield fees are higher than neighboring Highland Park and Northbrook.

<b>Total impact fees, 10-unit single-family detached (4 BR) project</b>					
	<b>Deerfield</b>		<b>Peer Communities</b>		
	<b>Current</b>	<b>Recommended</b>	<b>Glenview</b>	<b>Highland Park</b>	<b>Northbrook</b>
School district	64,750	82,740	181,529	130,000	113,900
Park district	95,314	115,466	122,330	50,000	94,100
Library/Village facilities	25,989	50,108	n/a	8,590	3,776
Fire district	191	2,179	n/a	n/a	n/a
<b>Total project impact fees</b>	<b>186,243</b>	<b>250,492</b>	<b>303,859</b>	<b>188,590</b>	<b>211,776</b>
<b>Total impact fees as pct. of TDC</b>	<b>1.17%</b>	<b>1.57%</b>	<b>1.91%</b>	<b>1.18%</b>	<b>1.33%</b>

<b>Total impact fees, 20-unit single-family attached (3BR) project</b>					
	<b>Deerfield</b>		<b>Peer Communities</b>		
	<b>Current</b>	<b>Recommended</b>	<b>Glenview</b>	<b>Highland Park</b>	<b>Northbrook</b>
School district	39,754	51,960	98,407	136,940	61,647
Park district	126,158	152,831	155,480	90,000	119,600
Library/Village facilities	34,399	66,323	n/a	10,920	4,800
Fire district	252	2,884	n/a	n/a	n/a
<b>Total project impact fees</b>	<b>200,563</b>	<b>273,997</b>	<b>253,887</b>	<b>237,860</b>	<b>186,047</b>
<b>Total impact fees as pct. of TDC</b>	<b>1.23%</b>	<b>1.68%</b>	<b>1.56%</b>	<b>1.46%</b>	<b>1.14%</b>

## **Conclusion**

The Village's residential development impact fees were comprehensively evaluated by Meech Group and Village staff to identify a balanced and cost-effective approach to modernizing a fee structure that has remained unchanged since 1993. This review considered current development conditions, regional competitiveness, industry standards, and feedback from both the Village Board and the development community.

Based on this analysis, staff recommends retaining the existing ISCS demographic multiplier while updating the levels of service and fair market value assumptions used to calculate impact fees. This approach—Scenario #2—achieves the goal of modernizing the impact fee methodology while limiting the overall increase in fees. Under this scenario, average impact fees would increase by approximately 36% across all housing types, compared to a 57.3% increase under the originally proposed methodology. The significant decrease is primarily attributable to the removal of the substantial multiplier increase for single-family attached and multifamily developments included in the Rutgers model which will decrease the negative financial impact on small scale developments.

Importantly, the comparative analysis demonstrates that, even with these updates, impact fees for small-scale residential developments remain below 2% of total development costs and within accepted industry norms. While Deerfield's fees are higher than some neighboring communities, they reflect the Village's higher levels of service and substantial public investments in park land, schools, and other community assets that directly benefit new residents.

Staff believes this recommendation strikes an appropriate balance between maintaining fiscal responsibility, ensuring new development contributes fairly to public infrastructure, and supporting continued residential development—particularly smaller-scale projects that are more sensitive to cost increases. Representatives from Meech Group and Village staff will be present at the meeting to address questions

## **Attachments**

1. Zion Woods & Elm St Development Impact Fee Comparison Sheet
2. Impact Fee Summary Memo
3. October 22, 2025 COW Packet

## Zion Woods (Apartments) Impact Fee Calculations

### Current fees summary

	Per unit	Total
1-bedroom units	5,889	76,555
2-bedroom units	7,058	49,409
3-bedroom units	12,837	64,185
<b>Avg./total</b>	<b>7,606</b>	<b>190,150</b>

#### Unit type 1

Unit type	mf_1
Units	13

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.002	2.50	175,000	9	114
Junior high	0.001	3.33	175,000	6	76
High school	0.001	5.00	175,000	9	114
Park district	1.753	15.00	175,000	4,602	59,821
Library and Village facilities	1.753	4.09	175,000	1,255	16,311
Fire protection district	1.753	0.03	175,000	9	120
<b>Total impact fees</b>				<b>5,889</b>	<b>76,555</b>

#### Unit type 2

Unit type	mf_2
Units	7

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.082	2.50	175,000	359	2,511
Junior high	0.041	3.33	175,000	239	1,674
High school	0.042	5.00	175,000	368	2,573
Park district	1.821	15.00	175,000	4,780	33,461
Library and Village facilities	1.821	4.09	175,000	1,303	9,124
Fire protection district	1.821	0.03	175,000	10	67
<b>Total impact fees</b>				<b>7,058</b>	<b>49,409</b>

#### Unit type 3

Unit type	mf_3
Units	5

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.230	2.50	175,000	1,006	5,031
Junior high	0.123	3.33	175,000	718	3,588
High school	0.116	5.00	175,000	1,015	5,075
Park district	3.018	15.00	175,000	7,922	39,611
Library and Village facilities	3.018	4.09	175,000	2,160	10,801
Fire protection district	3.018	0.03	175,000	16	79
<b>Total impact fees</b>				<b>12,837</b>	<b>64,185</b>

### Recommended fees summary

	Per unit	Total
1-bedroom units	8,129	105,675
2-bedroom units	9,655	67,585
3-bedroom units	17,453	87,266
<b>Avg./total</b>	<b>10,421</b>	<b>260,526</b>

#### Unit type 1

Unit type	mf_1
Units	13

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.002	2.00	300,000	12	156
Junior high	0.001	2.00	300,000	6	78
High school	0.001	4.00	300,000	12	156
Park district	1.753	10.60	300,000	5,575	72,469
Library and Village facilities	1.753	4.60	300,000	2,419	31,449
Fire protection district	1.753	0.20	300,000	105	1,367
<b>Total impact fees</b>				<b>8,129</b>	<b>105,675</b>

#### Unit type 2

Unit type	mf_2
Units	7

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.082	2.00	300,000	492	3,444
Junior high	0.041	2.00	300,000	246	1,722
High school	0.042	4.00	300,000	504	3,528
Park district	1.821	10.60	300,000	5,791	40,535
Library and Village facilities	1.821	4.60	300,000	2,513	17,591
Fire protection district	1.821	0.20	300,000	109	765
<b>Total impact fees</b>				<b>9,655</b>	<b>67,585</b>

#### Unit type 3

Unit type	mf_3
Units	5

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.230	2.00	300,000	1,380	6,900
Junior high	0.123	2.00	300,000	738	3,690
High school	0.116	4.00	300,000	1,392	6,960
Park district	3.018	10.60	300,000	9,597	47,986
Library and Village facilities	3.018	4.60	300,000	4,165	20,824
Fire protection district	3.018	0.20	300,000	181	905
<b>Total impact fees</b>				<b>17,453</b>	<b>87,266</b>

### 658-702 Elm (Condos) Impact Fee Calculations

#### Current fees summary

	Per unit	Total
1-bedroom units	n/a	-
2-bedroom units	7,058	7,058
3-bedroom units	12,837	77,022
<b>Avg./total</b>	<b>12,011</b>	<b>84,080</b>

#### Unit type 1

Unit type	mf_1
Units	-

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.002	2.50	175,000	9	-
Junior high	0.001	3.33	175,000	6	-
High school	0.001	5.00	175,000	9	-
Park district	1.753	15.00	175,000	4,602	-
Library and Village facilities	1.753	4.09	175,000	1,255	-
Fire protection district	1.753	0.03	175,000	9	-
<b>Total impact fees</b>				<b>5,889</b>	<b>-</b>

#### Unit type 2

Unit type	mf_2
Units	1

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.082	2.50	175,000	359	359
Junior high	0.041	3.33	175,000	239	239
High school	0.042	5.00	175,000	368	368
Park district	1.821	15.00	175,000	4,780	4,780
Library and Village facilities	1.821	4.09	175,000	1,303	1,303
Fire protection district	1.821	0.03	175,000	10	10
<b>Total impact fees</b>				<b>7,058</b>	<b>7,058</b>

#### Unit type 3

Unit type	mf_3
Units	6

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.230	2.50	175,000	1,006	6,038
Junior high	0.123	3.33	175,000	718	4,305
High school	0.116	5.00	175,000	1,015	6,090
Park district	3.018	15.00	175,000	7,922	47,534
Library and Village facilities	3.018	4.09	175,000	2,160	12,961
Fire protection district	3.018	0.03	175,000	16	95
<b>Total impact fees</b>				<b>12,837</b>	<b>77,022</b>

#### Recommended fees summary

	Per unit	Total
1-bedroom units	n/a	-
2-bedroom units	9,655	9,655
3-bedroom units	17,453	104,719
<b>Avg./total</b>	<b>16,339</b>	<b>114,374</b>

#### Unit type 1

Unit type	mf_1
Units	-

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.002	2.00	300,000	12	-
Junior high	0.001	2.00	300,000	6	-
High school	0.001	4.00	300,000	12	-
Park district	1.753	10.60	300,000	5,575	-
Library and Village facilities	1.753	4.60	300,000	2,419	-
Fire protection district	1.753	0.20	300,000	105	-
<b>Total impact fees</b>				<b>8,129</b>	<b>-</b>

#### Unit type 2

Unit type	mf_2
Units	1

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.082	2.00	300,000	492	492
Junior high	0.041	2.00	300,000	246	246
High school	0.042	4.00	300,000	504	504
Park district	1.821	10.60	300,000	5,791	5,791
Library and Village facilities	1.821	4.60	300,000	2,513	2,513
Fire protection district	1.821	0.20	300,000	109	109
<b>Total impact fees</b>				<b>9,655</b>	<b>9,655</b>

#### Unit type 3

Unit type	mf_3
Units	6

	Mult.	LOS	FMV	Fee	
				Unit	Total
Elementary	0.230	2.00	300,000	1,380	8,280
Junior high	0.123	2.00	300,000	738	4,428
High school	0.116	4.00	300,000	1,392	8,352
Park district	3.018	10.60	300,000	9,597	57,583
Library and Village facilities	3.018	4.60	300,000	4,165	24,989
Fire protection district	3.018	0.20	300,000	181	1,086
<b>Total impact fees</b>				<b>17,453</b>	<b>104,719</b>

# Meech Group

**Michio Murakishi**  
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Chicago, IL 60618  
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## MEMORANDUM

**Date:** January 29, 2026

**To:** Justin Keenan  
Village of Deerfield

**From:** Michio Murakishi

**Re: Final Recommendations  
Impact Fee Study**

In December 2024, Meech Group was engaged by the Village of Deerfield (the “Village”) to review and assess its impact fees. The first phase of our work included preparing a comprehensive impact fee study, which we completed in June 2025 (the “study”). In January 2026, we prepared a cost-burden analysis to evaluate how the recommended fee adjustments included in our study would affect development feasibility and regional competitiveness.

The purpose of this memo is to 1) summarize basic background information on impact fees, 2) provide a review of the work Meech Group has completed to date, and 3) present our final recommendations for adjusting the Village’s existing impact fee structure.

### Background on impact fees

The Village currently assesses residential impact fees to offset the capital infrastructure needs generated by new residential development for parks, schools, library/Village facilities, and fire protection. The Village’s impact fee ordinance was last updated in 1993. Since that time, demographic trends, service standards, land values, and development economics have changed substantially.

In Illinois, residential impact fees are calculated as cash contributions in lieu of land dedication, and they must be directly linked to the cost of providing additional public facilities required by new development. The basic formula used to calculate impact fees consists of three core variables:

1. Demographic multipliers by housing type,
2. Level-of-service (LOS) standards (i.e., acreage requirements per unit of population), and
3. The fair market value (FMV) of vacant land.

Under this framework, demographic multipliers are first applied to estimate the number of residents or school-age children expected to reside in a particular type of housing unit. That estimated population is then translated into a land requirement using LOS standards (such as acres per 1,000 residents or acres per 100 students). Finally, the required acreage is multiplied by the Village’s assumed FMV per acre of vacant land to determine the cash contribution owed per unit.

## Key findings from the impact fee study

Meech Group's impact fee study found that the Village's existing impact fees are based on outdated assumptions regarding demographic multipliers, LOS standards, and FMV assumptions. Demographic multipliers currently embedded in the Village's existing ordinance are more than 30 years old and no longer reflect current household composition patterns, particularly for attached and multifamily housing. Similarly, LOS assumptions are based on early-1990s standards that do not reflect current facilities or planning practice. Finally, the FMV assumption used in the existing ordinance significantly understates present-day market conditions.

The study evaluated alternative demographic data sources and identified multipliers developed by Rutgers University as a more accurate and contemporary benchmark, reflecting their basis in large-sample Census microdata, regular updates, and widespread use in development impact analysis nationwide. In addition, we recommended updating LOS standards to align with current service footprints, including increasing LOS standards for library/Village and fire-protection facilities while lowering park and school district LOS standards to ensure consistency with surrounding communities. Finally, the study recommended increasing the FMV assumption used to calculate impact fees from \$175,000 to \$300,000 per acre to reflect current land market conditions and regional practice, improving accuracy without undermining the Village's competitiveness.

## Key findings from the cost-burden analysis

At the request of Village staff and based on feedback from the developer community received at the Village's Committee of the Whole (COW) meeting on October 22, 2025, Meech Group prepared a cost-burden analysis to evaluate how our recommended impact fees would affect overall development costs for three representative residential project types.

Across all scenarios evaluated, impact fees accounted for a relatively small share of total development costs (TDC), generally ranging from one to three percent. The analysis tested three policy scenarios:

- **Scenario #1:** Updating multipliers, LOS, and FMV as recommended in the study,
- **Scenario #2:** Updating LOS and FMV only, and
- **Scenario #3:** Updating FMV only.

Our analysis concluded that Scenario #2 (updating LOS and FMV while retaining existing multipliers) resulted in impact fee burdens that most closely align with those observed in peer communities such as Glenview, Highland Park, and Northbrook. Moreover, the recommended scenario results in cost burdens ranging from 1.6 to 2.1 percent of TDC. This level of cost burden is within the range of typical fee burdens in the region, where impact fees as a percentage of TDC are typically between one and two percent, but rarely exceed three percent.

## Conclusions and recommendations

The combined analyses demonstrate that Deerfield's impact fee framework would benefit from modernization to more closely reflect current service standards and market land values. Updated assumptions will improve fiscal equity by ensuring that new development pays a proportionate share of the infrastructure costs it generates. At the same time, our cost-burden modeling confirms that our recommended impact fee framework would remain manageable and competitive.

Based on these findings, our recommendation is for the Village to adopt updated LOS standards and increase the FMV for vacant land used to calculate impact fees, while retaining existing demographic multipliers in the near term. A comparison of existing and recommended LOS standards and FMVs is shown in **Table 1** below:

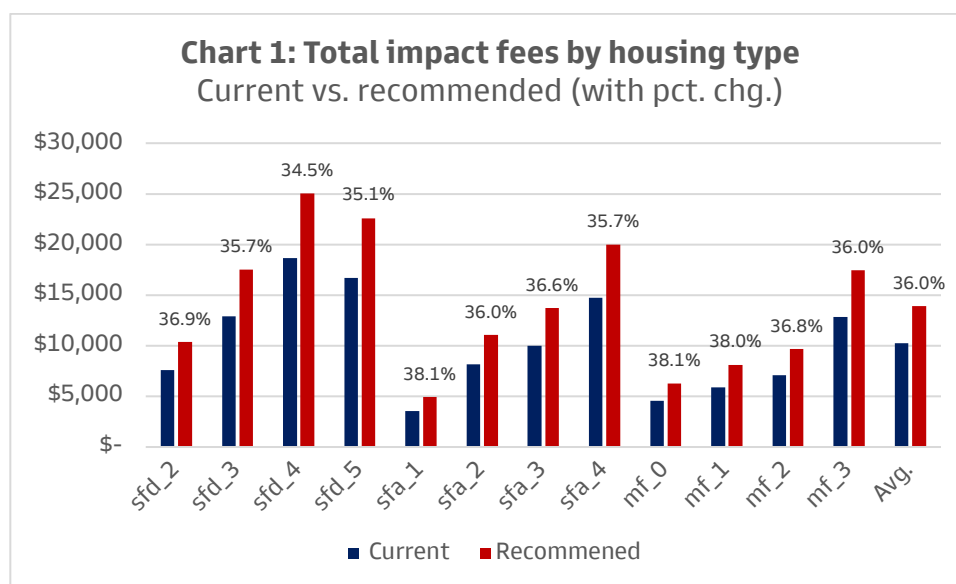
**Table 1:** Existing and recommended LOS and FMV figures

	Existing	Rec.	Unit
Elementary school	2.50	2.00	Acres per 100 students
Junior high school	3.33	2.00	Acres per 100 students
High school	5.00	4.00	Acres per 100 students
Park district	15.00	10.60	Acres per 1,000 residents
Library/Village facilities	4.09	4.60	Acres per 1,000 residents
Fire protection	0.03	0.20	Acres per 1,000 residents
Fair market value (FMV)	\$175,000	\$300,000	Per acre

Source: Village of Deerfield and Meech Group

While the Rutgers multipliers recommended in our original study would more accurately estimate the number of residents and school-age children generated by new development than the multipliers currently used by Deerfield and most other communities in the region, adopting them at this time does not appear feasible, as doing so would result in impact fees that are substantially higher than those charged by comparable surrounding communities, particularly for single-family attached and multifamily units.

In **Chart 1** below, we show how our recommended total impact fee levels compare to fee levels in the Village’s existing ordinance:



As shown above, our recommended changes to the Village’s existing impact fee ordinance would result in an average fee increase of 36.0 percent across all residential unit types.

Our recommended approach balances infrastructure funding needs with development feasibility and provides a defensible, moderate adjustment aligned with peer communities. Periodic review of impact fee assumptions is also recommended to ensure continued accuracy and competitiveness over time.

# Memorandum



DATE: October 15, 2025  
TO: Mayor and Village Board of Trustees  
CC: Kent Street, Village Manager  
FROM: Andrew Lichterman, Deputy Village Manager / Director of Community Development  
SUBJECT: **Residential Development Impact Fees**

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## **Background**

The Village of Deerfield (“*Village*”) currently imposes impact fees for new residential development. The purpose of these impact fees is to offset the costs of expanding or building new infrastructure required by the addition of new residents. The Village’s current impact fee ordinance (O-93-98), last updated in 1993, states that developers are required to either a) dedicate land for park lands, school sites fire-protection district sites, and library and Village-use sites or b) make cash contributions in lieu of an actual land dedication.

Earlier this year, the Village contracted with Meech Group to complete an Impact Fee Study (“*Study*”) that analyzed the Village’s existing impact fees and assessed the competitiveness of its fees compared to select peer communities. Staff presented a summary of the Study to the Village Board at the September 2, 2025 Committee of the Whole meeting. Following that discussion, the Village Board requested additional information from staff and requested that various stakeholders be invited to participate in future deliberations.

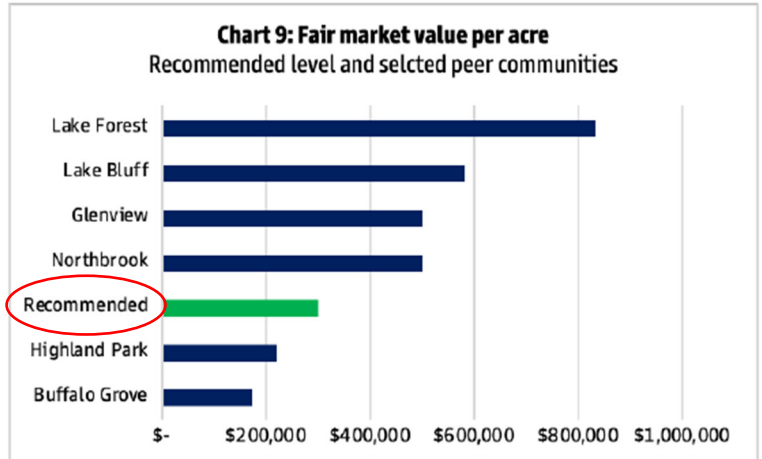
## **Impact Fee Study – Executive Summary and Recommendations**

The Study concluded that the Village’s impact fees tend to be at the lower end of the range observed in the six peer communities. The lower fees are a result of outdated assumptions related to three variables that comprise the formula for calculating impact fees. Those three variables include: a) demographic multipliers by housing type, b) acreage requirements per unit of population (“*levels of service*”), and c) fair market value (“*FMV*”) of vacant land in the Village.

1. **Demographic Multipliers:** Trends in household composition and living arrangement have changed over the last 30 years. Specifically, these older multipliers tend to underestimate the number of residents living in single-family attached and multifamily units.
  - **Recommendation:** Update the set of demographic multipliers the Village uses to calculate impact fees.
2. **Levels of Service:** Most of the affected government agencies have expanded their footprint since the impact fee ordinance was adopted in 1993, which correlates to their levels of service.
  - **Recommendation:** Update levels of service standards used to calculate impact fees to reflect current levels of services or adopted standards more in line with contemporary practices.

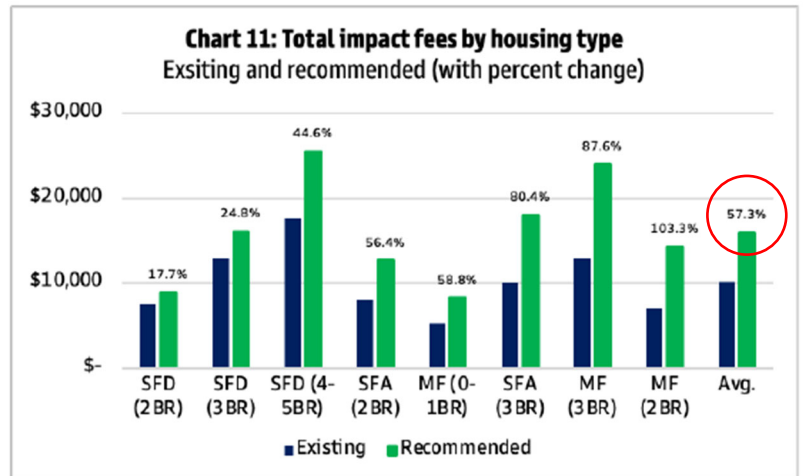
**3. Fair Market Value of Vacant Land:** The current impact fee ordinance assumes fair market value of land at \$175,000 per acre. The Consumer Price Index has increased over 100 percent since 1993.

- **Recommendation:** Update fair market value used to calculate impact fees to \$300,000 per acre of vacant land, which is still below many neighboring communities.



Source: Meech Group

If the Village adopts the recommended changes to its existing ordinance, total impact fees will increase by an average of 57.3% across all types of housing unit and would bring the Village’s impact fees more in line with many of its neighboring communities.



**Comparative Analysis of Residential Developments**

At the September 2, 2025, Committee of the Whole meeting the Village Board requested information regarding how the recommended changes to the impact fee ordinance would financially impact developments. The table below shows the current and proposed impact fee costs for five recently approved residential developments:

<u>Development</u>	<u>Unit Mix</u>	<u>Existing Impact Fees</u>	<u>Proposed Impact Fees</u> (adjusted multiplier, LOS and FMV)	<u>Nominal Change</u>	<u>Percentage Change</u>
<b>Zion Woods Development</b>	13 – 1 Bedroom 7 – 2 Bedroom 5 – 3 Bedroom 25 Total Units	\$190,149.60	\$438,157.68	\$248,008.08	130%
<b>Deerfield Supportive Living Facility</b>	141 – Studio 6 – 1 Bedroom 147 Total Units	\$182,262.18	\$308,482.66	\$126,220.48	66%

<b>VennPoint Development</b>	12 – 1 Bedroom 22 – 2 Bedroom 110 – 3 Bedroom 144 Total Units	\$1,111,253.58	\$1,955,004.34	\$916,249.24	76%
<b>Continental – Springs at Lake Cook Crossing</b>	20 – Studio 110 – 1 Bedroom 100 – 2 Bedroom 24 – 3 Bedroom 254 Total Units	\$1,752,722.79	\$3,090,317.28	\$1,337,594.49	76%

While it was previously noted that the average impact fee increase across all unit types was 57.3%, the table above illustrates that the actual increase to a particular development can vary and it depends on the unit mix for that development. The greatest increases are associated with 2 bedroom multi-family units (103%), 3 bedroom single-family attached (90%) and 3 bedroom multi-family units (87%).

The Deerfield Supportive Living Facility development which is comprised of mostly studio apartments would realize a 66% increase under the proposed impact fee ordinance compared to Zion Woods which is comprised of mostly 1- and 2-bedroom units and would realize a 130% increase.

Further examples of the how the proposed adjustment to the impact fee ordinance would impact smaller scale residential developments of 4 lots or less are illustrated below:

<u>Subdivision</u>	<u>New House(s) as a Result of Resubdivision</u>	<u>Existing Impact Fees</u>	<u>Proposed Impact Fees</u> (adjusted multiplier, LOS and FMV)	<u>Nominal Change</u>	<u>Percentage Change</u>
<b>130-140 Kenmore (2 lots)</b>	1	\$18,624.33	\$25,551.60	\$6,927.27	37%
<b>924-936 Westcliff (3 lots)</b>	2	\$37,248.66	\$51,103.20	\$13,854.54	37%

The four-bedroom detached single-family home resubdivision examples listed above would realize a 37% increase.

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Finally, the table below shows a side-by-side comparison of the impact fees by specific housing type:

EXISTING IMPACT FEES		PROPOSED IMPACT FEES		Nominal Change	Percent Change
<b>Detached Single Family</b>		<b>Detached Single Family</b>			
2 Bedroom	\$7,569.65	2 Bedroom	\$8,910.60	\$1,340.95	18%
3 Bedroom	\$12,933.40	3 Bedroom	\$16,138.44	\$3,205.04	25%
4 Bedroom	\$18,624.33	4-5 Bedroom	\$25,551.60	\$6,927.27	37%
5 Bedroom	\$16,722.23				
<b>Attached Single Family</b>		<b>Attached Single Family</b>			
1 Bedroom	\$3,573.53				
2 Bedroom	\$8,138.18	2 Bedroom	\$12,728.82	\$4,590.64	56%
3 Bedroom	\$10,028.15	3 Bedroom	\$18,087.24	\$8,059.09	80%
4 Bedroom	\$14,734.62				
<b>Apartments</b>		<b>Multifamily</b>			
Efficiency	\$4,550.56				
1 Bedroom	\$5,888.87	0-1 Bedroom	\$8,288.16	\$2,399.29	41%
2 Bedroom	\$7,058.48	2 Bedroom	\$14,347.44	\$7,288.96	103%
3 Bedroom	\$12,836.98	3 Bedroom	\$24,088.02	\$11,251.04	88%

Recall, that the impact fees are facilitated by the Village of Deerfield but are then allocated and distributed to the park district, school districts, fire district, village and library. A vast majority of the fees are distributed to the park district at school districts, in particular, due to their relatively large land ownership and levels of service.

**Conclusion**

The Village’s residential development impact fees were recently studied by Meech Group and determined to be below many of Deerfield’s peer communities. The study recommends updating the demographic multiplier, levels of service and fair market value used to calculate the fees, resulting in an average increase of 57% across all housing types. The recent residential development examples included in this report illustrate the varying financial implications updating the impact fee ordinance could have on development. A complete copy of the June 2025 Impact Study by Meech Group is enclosed with this report.

At the Board’s direction staff invited governmental agencies and various stakeholders from the development community to attend the October 22, Committee of the Whole meeting to participate in further discussion of impact fees. Information from the Illinois Realtors® Association regarding impact fees in Illinois was received and is also included with this report.

Representatives from Meech Group and Village staff will also be present at the meeting to answer questions.

# **Village of Deerfield**

## **Impact Fee Study**

June 30, 2025

**By:**

**Meech Group**

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# Definitions

"**ACS**" means American Community Survey, an ongoing survey taken each year by the U.S. Census Bureau that provides one-, three-, and five-year estimates of demographic, housing, social, and economic information.

"**Bedroom**" means any room in a dwelling unit that is designed and intended for sleeping purposes.

"**Elementary school**" means a school for the first six grades, including kindergarten.

"**Fair market value**" or "**FMV**" means land value based on the fair market value of the acres of land in the area that otherwise would have been dedicated as school, park, library, fire-protection, or Village-facility sites.

"**Fire district**" means the Deerfield-Bannockburn Fire Protection District that is responsible for providing fire protection and emergency medical services to the Villages of Deerfield (north of Lake Cook Rd.).

"**High school**" means a school that typically comprises grades nine through 12, attended after junior high school.

"**Householder(s)**" means the person (or one of the people) in whose name the housing unit is owned or rented.

"**Housing tenure**" means the financial arrangement and ownership structure under which someone has the right to live in a housing unit. The most frequent forms are tenancy, in which rent is paid by the occupant to a landlord, and owner-occupancy, where the occupant owns their own home.

"**Junior high school**" means a school intermediate between an elementary school and a high school, typically for children in the sixth, seventh, and eighth grades.

"**Level of service**" or "**LOS**" means the defined performance standard or unit of demand for each capital component of a public facility within a service area.

"**Library**" means the Deerfield Public Library that serves residents of the Village.

"**Multifamily**" means housing units in a structure of two or more units, not classified as a single-family house, irrespective of housing tenure.

"**Multiplier**" or "**Demographic multiplier**" means an average ratio of demographic measures per occupied housing unit or per household.

"**Park district**" means the Deerfield Park District that serves residential properties in the Village.

**"PUMA"** means Public Use Microdata Area, or a geographic unit demarcated by the U.S. Census Bureau consisting of at least 100,000 people and comprised of contiguous census tracts within a state.

**"PUMS"** means Public Use Microdata Sample or a sample of ACS data that contains information of individual people, households, and housing units that contain the responses to questionnaires sent to a sample population by the U.S. Census Bureau.

**"Report"** means this report entitled "Impact Fee Study" prepared by Meech Group.

**"Rutgers-Bloustein"** means the Edward J. Bloustein School of Planning and Public Policy at Rutgers University.

**"School districts"** means the Deerfield Public Schools District 109 (D109) and Township High School District 113 (D113), the elementary school and high school districts, respectively, that serve residential properties in the Village.

**"Single-family attached"** means a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures, irrespective of housing tenure. In row houses (sometimes called townhouses), double houses, or houses attached to non-residential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

**"Single-family detached"** means a one-unit structure detached from any other house, that is, with open space on all four sides, irrespective of housing tenure. Such structures are considered detached even if they have an adjoining shed or garage.

**"State"** means the state of Illinois.

**"Statute"** means 65 ILCS 5/11-12-5 as amended and supplemented from time to time.

**"Village"** means the Village of Deerfield, Illinois.

# Executive Summary

The Village of Deerfield (the “Village”) currently imposes impact fees for new residential development. The purpose of these impact fees is to offset the costs of expanding or building new infrastructure required by the addition of new residents to the Village. The Village’s current impact fee ordinance (O-93-48), last updated in 1993, states that developers are required to either a) dedicate land for park lands, school sites, fire-protection district sites, and library and Village-use sites or b) make cash contributions in lieu of an actual land dedication.

The primary goal of this study is to establish a straightforward formula and methodology for estimating impact fees related to new residential development in the Village. Specifically, Meech Group was tasked with reviewing, analyzing, and updating the Village’s existing impact fees and assessing the competitiveness of its fees compared to selected peer communities.

Our approach to this study centers around the study of the three variables that comprise the basic formula for calculating impact fees: a) demographic multipliers by housing type, b) acreage requirements per unit of population (i.e., levels of service), and c) fair market value (FMV) of vacant land in the Village.

Based on our research, the Village’s current impact fees tend to be at the lower end of the range observed in the six peer communities we selected as part of our competitive survey. It is our observation that these lower fees are the result of outdated assumptions related to the three variables that comprise the formula for calculating impact fees described above. In summary, our primary recommendations include the following:

1. **Demographic multipliers.** We recommend updating the set of demographic multipliers the Village uses to calculate impact fees. The multipliers included in the current ordinance are over 30 years old, and trends in household composition and living arrangements have changed significantly since that time. Specifically, these older multipliers tend to underestimate the number of residents living in single-family attached and multifamily units.
2. **Levels of service (LOS).** The Village’s current impact fees are based on LOS for the relevant taxing agencies in 1993. Since that time, most of these agencies have expanded their physical footprint. We recommend updating the LOS standards used to calculate impact fees to reflect current LOS in the Village or to adopt standards more in line with contemporary practice.
3. **FMV of vacant land.** The Village’s current impact fee ordinance assumes that vacant land in the Village has a FMV of \$175,000 per acre. Given that the Consumer Price Index (CPI) has increased by over 100 percent since 1993 and that we have observed some recent land sale transactions at over \$1 million per acre, we recommend increasing the FMV used to calculate impact fees.

If the Village adopts our recommended changes to its existing ordinance, total impact fees will increase by an average of 57.3 percent across all types of housing units. In addition, our recommended changes would bring the Village’s impact fees more in line with many of its neighboring communities.

# 1. Introduction

The primary goal of this study is to establish a straightforward formula and methodology for estimating impact fees related to new residential development in the Village. In this section of the report, we a) describe the scope of our study, b) provide a primer on impact fees in Illinois, and c) summarize the Village's existing impact fee ordinance. These topics will provide the Village with the necessary background and understanding to fully interpret the findings and recommendations described later in this report.

## Scope of study

The scope of the study outlined in this report is limited to the calculation of impact fees for the local school, park, library, and fire-protection districts that serve residents in the Village, as well as impact fees for Village facilities. Specifically, Meech Group was tasked with reviewing, analyzing, and updating the Village's existing impact fees and assessing the competitiveness of its fees compared to selected peer communities.

## Impact fees in Illinois

A municipality's power to enact an impact fee generally stems from the Illinois Municipal Code (65 ILCS 5/11-12-5) (the "Statute"). The applicable section of code grants municipal plan commissions the power to adopt comprehensive plans that include reasonable requirements for locating school facilities. The Statute describes how a school district may request that a municipality consider a plan for school land donations. The Statute defines school land donations as "a donation of land for public school purposes or a cash contribution in lieu thereof, or a combination of both."

The Statute also makes clear that cash donations in lieu of land donations can be used for construction of school buildings or other infrastructure required by new development. This is an important point, and the Statute is clear—impact fees may only be assessed as cash-in-lieu payments. In other words, impact fees must be linked to a hypothetical land dedication and may not be assessed on any other requirement of the affected taxing body.

## Existing ordinance

As a condition of approval of a final plat subdivision or of a final plat of a planned unit development, the Village's existing impact fee ordinance (O-93-48) states that developers are required to either a) dedicate land for park lands, school sites, fire protection district sites, and library and Village-use sites or b) make cash contributions in lieu of an actual land dedication (or a combination of both at the option of the Village).

The ordinance makes clear that the ultimate density of a proposed development is directly related to the amount of land required for dedication and details baseline LOS—acreage requirements per unit of population—for park land, school sites, fire-protection district sites, and library and Village-facility sites. The ordinance describes how impact fees are to be calculated as the product of three variables:

1. Demographic multipliers by housing type,
2. Acreage requirements per unit of population, and
3. Fair market value (FMV) of land.

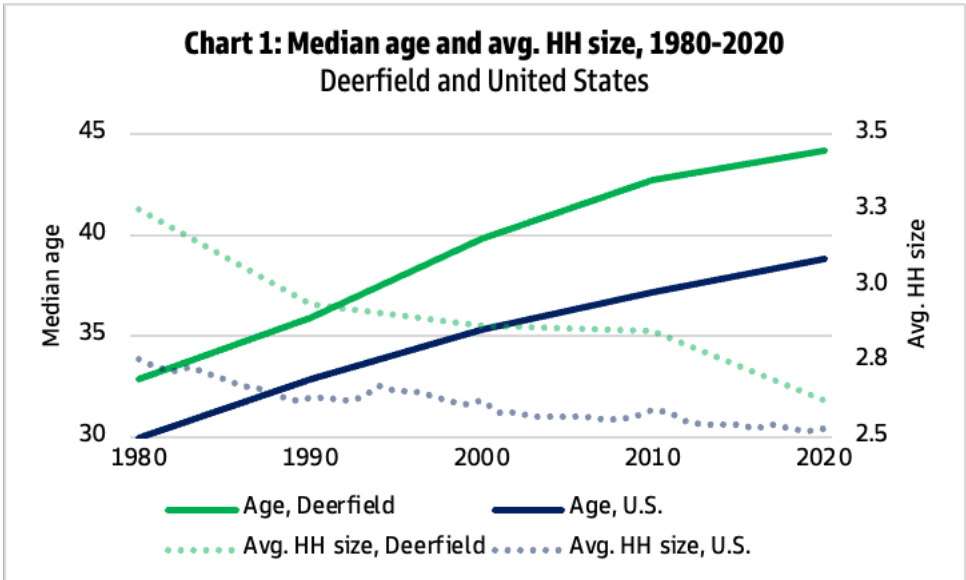
Our approach to this study centers around the study of these three variables that comprise the basic formula for calculating impact fees.

# 2. Demographic Multipliers

In this section of the report, we describe our research on demographic multipliers. In short, there is a dearth of information on demographic multipliers available to local planners attempting to estimate the impact of new residential development. Moreover, available multipliers are often obsolete, leading to inaccurate estimates of future population and school enrollment. This is problematic since impact fees paid by developers are typically calculated using multipliers as a critical variable, resulting in situations where estimates are either overstated or understated.

## Multipliers are a moving target

In **Chart 1** below, we summarize historical trends related to median age and average household (HH) size in the Village and United States. In both, the median age of householders has increased consistently for at least the past four decades. In 1980, the median age in the Village was 32.9. In 2020, the median age in the Village was 44.8, representing an over 36-percent increase.



Source: U.S. Census Bureau

As illustrated above, household demographics are in a state of dynamic flux, exhibiting a temporal variation that makes it difficult to establish a set of “benchmark” multipliers. Another fact made evident by this chart is that Deerfield has moved in parallel to the nation, displaying the same demographic shift towards an older populace and smaller households. Average household size in the United States has decreased by over eight percent between 1980 and 2020, with Deerfield’s average household size decreasing by nearly 20 percent over the same period.

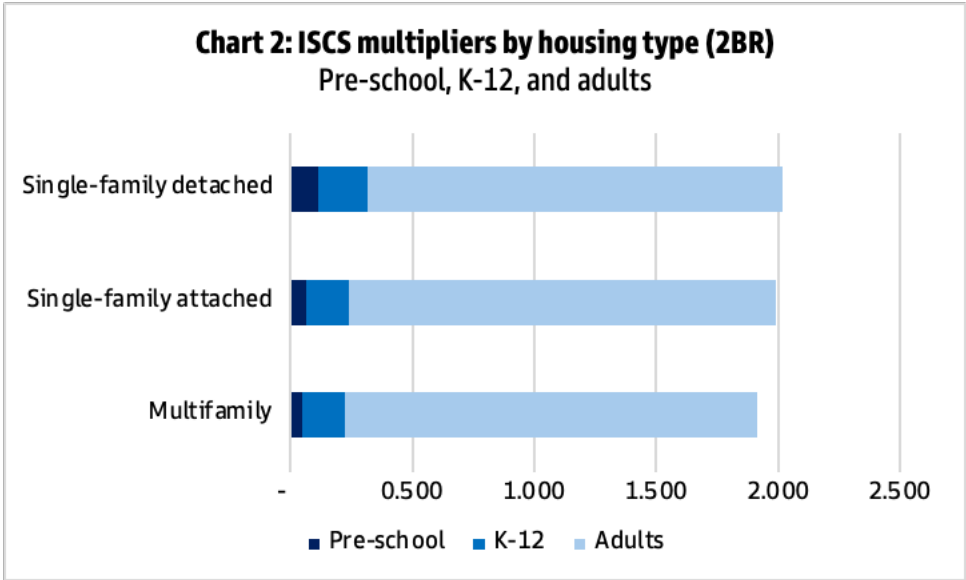
In summary, demographic multipliers can only reflect a snapshot in time, since we have observed that the demographic characteristics of households—the basis for developing multipliers by any methodology—are constantly changing. The implications of this observation on this study are twofold: a) older benchmark data has only limited applicability to the Village in calculating impact fees and b) multipliers must be updated at least every five to 10 years.

### Traditional sources of multipliers are insufficient

Today, most planning professionals have limited options when reliable demographic multipliers are needed for tasks requiring realistic projections of future population, such as calculating impact fees. In the following, we describe three sources of multipliers that can be utilized by local planners: a) multipliers developed by the Illinois School Consulting Service (ISCS) in the 1990s, b) field surveys, and c) Public Use Microdata Sample (PUMS) data from the U.S. Census Bureau’s American Community Survey (ACS). Each of these sources is described in further detail below.

#### ISCS multipliers

Locally, consultants and planners have traditionally only had one source of "benchmark" demographic-multiplier data on which to rely—multipliers developed by ISCS and last updated in 1996. In **Chart 2** below, we show the composition of average ISCS multipliers for single-family detached, single-family attached, and multifamily units. For purposes of comparison, these are all multipliers for two-bedroom units.



Source: Illinois School Consulting Service (1996)

As the chart above shows, the multiplier for a two-bedroom single-family detached unit is the highest at just over two total occupants, followed by the multiplier for single-family attached units. ISCS rates for two-bedroom multifamily units generate the least number of total occupants at just over 1.9 occupants per unit. The complete set of ISCS multipliers is shown in **Table A-1** in the appendix of this report.

#### Field surveys

Another method of developing demographic multipliers is through field surveys. This method, however, presents some drawbacks—namely, these studies are time-consuming and challenging to conduct. For privacy reasons, school districts, homeowner's associations, and apartment managers, among others, are often reticent to provide minor children's ages and places of residence, even if the information is anonymized.

In addition, field surveys represent only a snapshot in time, and, as we previously described, household composition is constantly changing. The practical effect is that demographic multipliers

derived from field surveys will become less and less reliable over time. In summary, field surveys can consume a great amount of time and resources and have a short shelf life, as the results are reflective only of the developments surveyed and not all recent residential development.

### Public Use Microdata Sample

The U.S. Census Bureau's ACS has an annual sample size of about 3.5 million addresses—meaning that it includes detailed population and housing data for approximately 2.7 percent of all U.S. households. PUMS data includes individual responses to the full range of topics in the ACS and provides a sample of household records for geographic areas known as Public Use Microdata Areas (PUMAs). PUMAs are areas comprised of at least 100,000 residents, are aggregated at the census-tract level, and are contiguous areas.

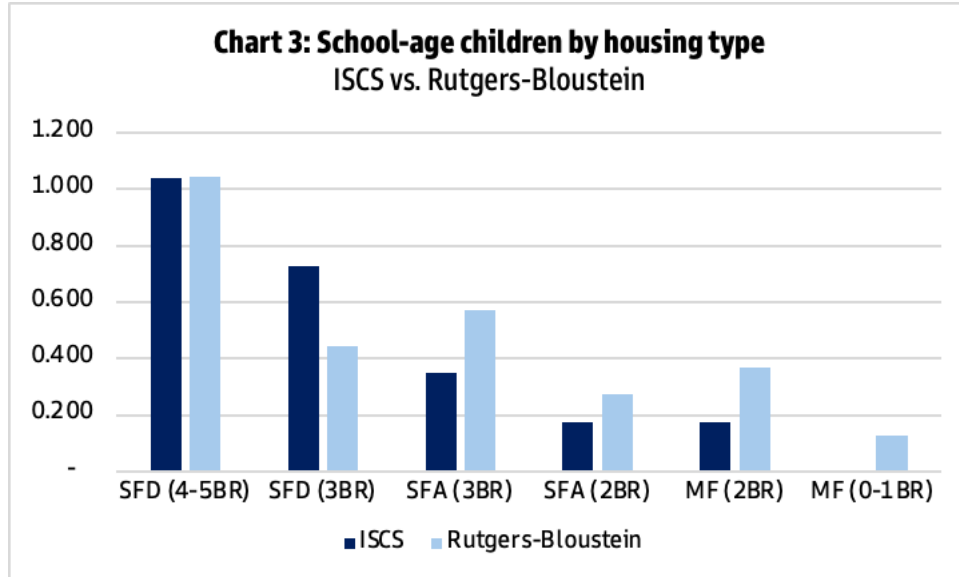
Each household record in PUMS contains all census population and housing information for every member of the household. There are two types of PUMS files, one for persons and one for housing units. The housing-level files have records pertaining to housing units, including the type of unit, number of bedrooms, and whether any household occupants are enrolled in school, including their current grade level.

Based on our research on the topic, careful analysis of local PUMS data is an ideal, albeit time-consuming, method for developing demographic multipliers. These data provide demographic information that is localized, includes comprehensive coverage of various housing types, and is highly accurate due to its large sample sizes. These data also permit for cross-tabulation of one variable by any other desired variables, allowing for the detailed study of the relationships between housing and population characteristics, including, for example, the number of school-aged household members by the type and size of dwelling unit.

### A more reliable method of estimating population impacts

The Center for Urban Policy Research, a component of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University ("Rutgers-Bloustein"), is internationally recognized for its research on development-impact analysis, among other areas of study. Rutgers-Bloustein is the clear leader in this specific area of study, providing demographic multipliers by housing type and number of bedrooms. In addition, the Rutgers-Bloustein multipliers disaggregate school-aged population by enrollment in elementary school, junior high school, and high school and are updated regularly.

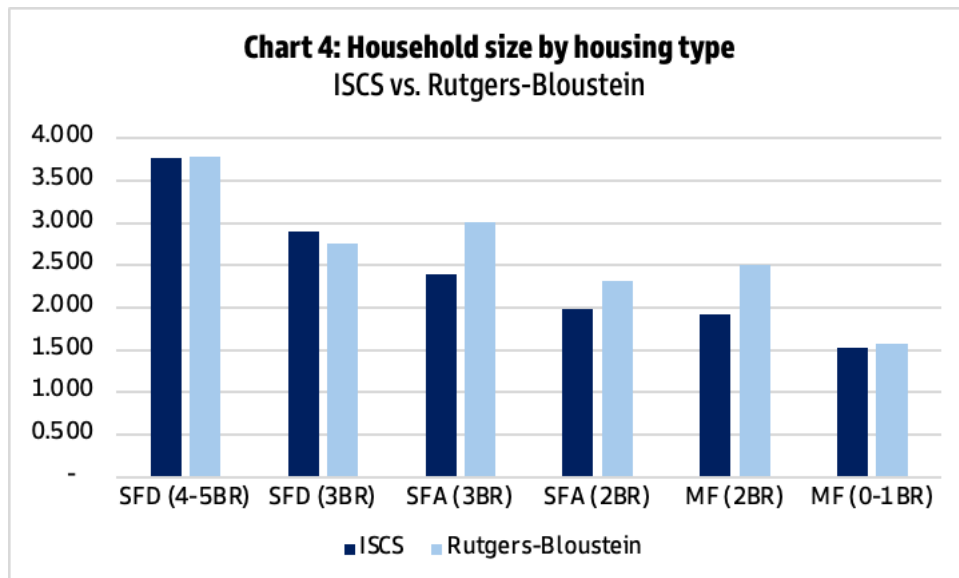
Rutgers-Bloustein researchers rely on demographic data derived from the ACS, specifically the PUMS data described above. Rutgers-Bloustein derives demographic multipliers for both recently built housing (i.e., housing unit built since 2000) as well as housing constructed in any year. In **Chart 3** below, we show how Rutgers-Bloustein multipliers for school-age children residing in recently constructed housing units compared to those developed by ISCS in 1996:



Source: Illinois School Consulting Service (1996) and Rutgers-Bloustein

As shown above, Rutgers-Bloustein multipliers for school-age children tend to be higher than ISCS for single-family attached and multifamily units, but equal to or lower than ISCS for single-family detached units. This observation seems to corroborate anecdotal evidence that the ISCS multipliers tend to underestimate the number of children residing in single-family attached and multifamily developments.

In **Chart 4** below, we show how ISCS multipliers for total household size for the most common housing types compared to those developed by Rutgers-Bloustein for recently constructed housing:



Source: Illinois School Consulting Service (1996) and Rutgers-Bloustein

The Rutgers-Bloustein multipliers for total household size are similar to those developed by ISCS for single-family detached units of any size. In the case of single-family attached and multifamily

units, however, Rutgers-Bloustein figures are consistently higher than those developed by ISCS, especially for single-family attached units.

The complete set of Rutgers-Bloustein multipliers for newer housing is shown in **Table A-2** in the appendix of this report.

# 3. Impact Fee Survey

We surveyed impact fees in six peer communities in the region. We had three primary objectives in completing the survey: a) assess the variables used calculating impact fees, b) gain insight into how other municipalities calculate fees, and c) establish a "market" range for impact fee levels in peer communities.

## Demographic multipliers in practice

ISCS multipliers—or some derivation thereof—were used by every community in our survey. In **Table 1** below, we list the six communities we surveyed, including their most recent estimates of population and household income from the U.S. Census Bureau’s 2023 ACS:

**Table 1:** Survey communities

	Population	Med. HH income	Multiplier
Buffalo Grove	42,482	\$ 129,820	ISCS (1996)
Deerfield	18,884	189,705	ISCS (1993)
Glenview	46,904	138,758	ISCS (1996)
Highland Park	30,272	161,875	ISCS (1996)
Lake Bluff	5,534	205,735	ISCS (1993)
Lake Forest	19,354	228,120	ISCS (1996)
Northbrook	33,977	155,321	ISCS (1996)

Source: U.S. Census Bureau and Meech Group

As shown in the table above, surveyed communities ranged in population from just over 5,500 in Lake Bluff to nearly 47,000 in Glenview. Median household income ranged from just under \$130,000 in Buffalo Grove to nearly \$230,000 in Lake Forest.

## Formulas for determining impact fees

All the communities included in our survey of impact fees utilize a very similar formula to calculate impact fees. In the following, we show example calculations for school and park impact fees.

### Example school calculation

The typical school impact fee formula will make projections on the number school children who will reside in new homes and the number of acres of land needed for those children. That figure is then multiplied by the fair market value of an acre of vacant land in the community to arrive at an impact fee per housing unit. This formula is typically expressed as follows:

$$School\ impact\ fee = \left( \frac{Sm}{Sc} \times Sa \right) \times Fmv$$

Where:

- *Sm* refers to demographic multipliers for student populations,
- *Sc* refers to school capacity,
- *Sa* refers to the acreage requirements for school sites, and
- *Fmv* refers to fair market value of one acre of land.

To illustrate how this formula is used, we will perform an example calculation for a hypothetical development comprised of 20 single-family attached units with all units having two bedrooms. To calculate impact fees for the local high school district, for instance, we would start with the high school student multiplier for two-bedroom single-family attached units. For the purposes of this example, we will use the multiplier contemplated in the Village’s existing impact fee ordinance for this dwelling type:

$$School\ impact\ fee = \left( \frac{.037}{Sc} \times Sa \right) \times Fmv \times 20$$

Next, we need to determine the student capacity of a high school facility. This number varies by school district, however, we will assume a capacity of 1,500 students for a new high school, as contemplated in the Village’s existing impact fee ordinance:

$$School\ impact\ fee = \left( \frac{.037}{1,500} \times Sa \right) \times Fmv \times 20$$

Like school capacity, the acreage required for different types of schools varies by district. For this example, however, we will assume that a new high school would require 75 acres of land, as contemplated in the Village’s existing impact fee ordinance:

$$School\ impact\ fee = \left( \frac{.037}{1,500} \times 75 \right) \times Fmv \times 20$$

Finally, we need to assume a fair market value (FMV) for one acre of land. As we previously illustrated, these numbers too vary by community. For this example, we will assume that the FMV of one acre of land is \$175,000, as contemplated in the Village’s existing impact fee ordinance:

$$School\ impact\ fee = \left( \frac{.037}{1,500} \times 75 \right) \times \$175,000 \times 20$$

$$School\ impact\ fee = 0.00185 \times \$175,000 \times 20 = \$6,475$$

As shown above, the high school impact fee for 20 two-bedroom single-family attached homes would be \$6,475, or approximately \$324 per unit.

Example park calculation

Impact fees for parks typically utilize a formula like that used to calculate school impact fees except that the projections are based on the total number of occupants in a new home, since all occupants—not just school-age children—are potential users of park-district services. Like school fees, the focus is on the additional space or land that is needed for the new residents. The formula is typically expressed as follows:

$$Park\ impact\ fee = \left( Pm \times \frac{Pa}{1,000} \right) \times Fmv$$

Where:

- *Pm* refers to demographic multipliers for total residents per dwelling unit,

- *Pa* refers to the minimum acreage requirements for park sites, and
- *Fmv* refers to fair market value of one acre of land.

To illustrate how this formula is used, we will again perform an example calculation for a hypothetical development comprised of 20 single-family attached units with all units having two bedrooms. To calculate impact fees for the local park district, we would start with the population multiplier for the applicable unit type and size. For this example, we will use the multiplier contemplated in the Village’s existing impact fee ordinance for this dwelling type:

$$Park\ impact\ fee = \left( 2.077 \times \frac{Pa}{1,000} \right) \times Fmv \times 20$$

Next, we need to determine the minimum park acreage required for every 1,000 residents. This number too varies by community. We will assume for the purposes of this example, however, that 15 acres of park land will be required for every 1,000 residents, as is contemplated in the Village’s existing impact fee ordinance:

$$Park\ impact\ fee = \left( 2.077 \times \frac{15}{1,000} \right) \times Fmv \times 20$$

Finally, we need to assume an FMV for one acre of land. As we previously described, these numbers vary by community, as well. For this example, however, we will assume that the FMV of one acre of land is \$175,000, as contemplated in the Village’s existing impact fee ordinance:

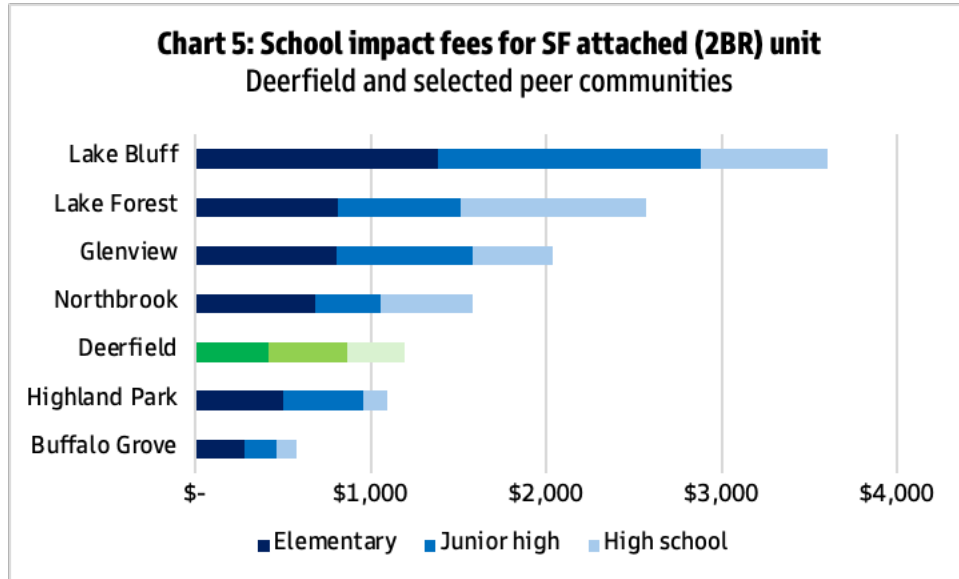
$$Park\ impact\ fee = \left( 2.077 \times \frac{15}{1,000} \right) \times \$175,000 \times 20$$

$$Park\ impact\ fee = 0.00316 \times \$175,000 \times 20 = \$109,043$$

As shown above, the park impact fee for 20 two-bedroom single-family attached homes would be \$109,043, or \$5,452 per unit.

"Market" fee levels

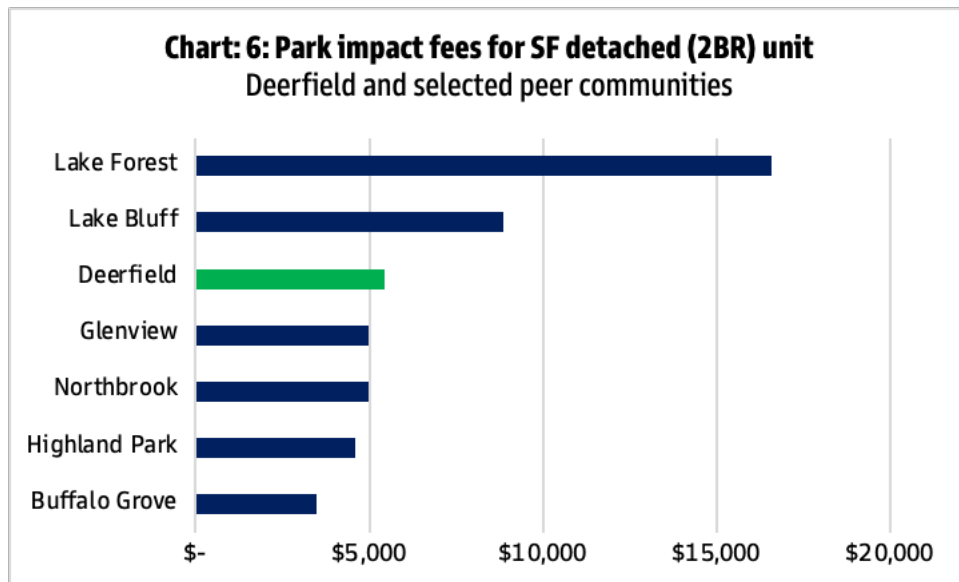
The final part of our survey of impact fees in peer communities looks at typical impact fee levels in terms of total dollar amount. Since there are often as many fee levels as there are housing types, we have summarized our review of “market” fee levels for single-family attached units with two bedrooms in **Chart 5** below:



Source: Meech Group

As shown in the chart above, impact fees for schools in the communities we surveyed ranged from just under \$600 in Buffalo Grove to over \$3,600 in Lake Bluff, with Deerfield’s current school impact fee would coming in at just under \$1,200 per unit.

In **Chart 6** below, we show park impact fees for a hypothetical single-family attached unit with two bedrooms:



Source: Meech Group

As is shown in the chart above, park impact fees in the communities we surveyed ranged from nearly \$3,500 in Buffalo Grove to over \$16,500 in Lake Forest, with Deerfield’s current park impact fee would coming in at nearly \$5,500.

## 4. Findings & Recommendations

In the following section, we outline our findings and recommendations. We have categorized our findings and recommendations into five areas, each of which we will describe in greater detail below:

1. Demographic multipliers,
2. Estimation of fair market value,
3. Calculation of school fees,
4. Calculation of park fees, and
5. Calculation of other impact fees.

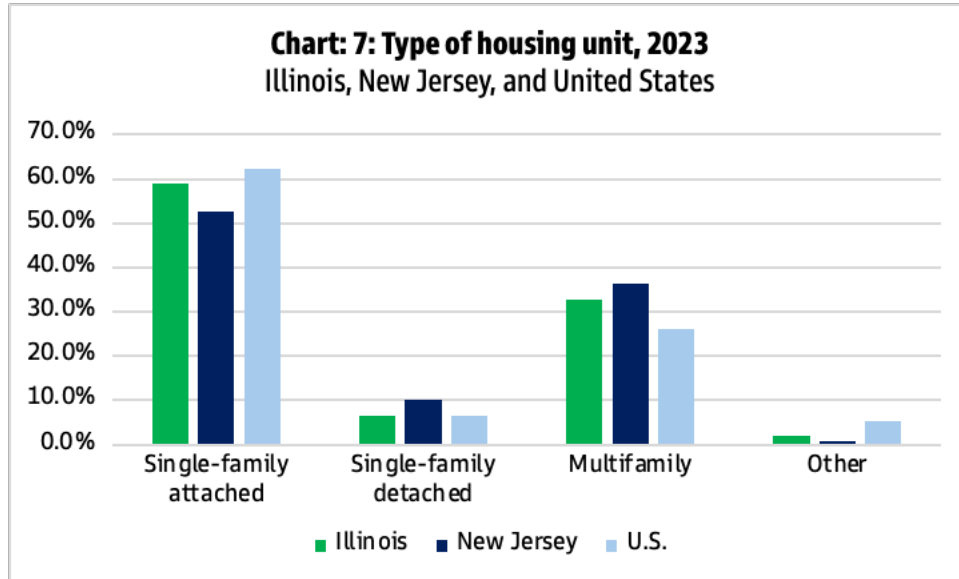
A summary of our recommended changes to LOS standards in the Village's impact fee ordinance is shown in **Table A-3** in the appendix of this report.

### Demographic multipliers

In the previous section, we outlined the challenge of obtaining reliable demographic multipliers for use in calculating impact fees. Chief among these reasons is the "moving target" nature of demographics in the United States. Because of these deficiencies, we recommend that the Village use Rutgers-Bloustein multipliers.

Rutgers-Bloustein researchers have also found that, for common configurations of standard housing types, multipliers used in New Jersey are equally applicable in in other states. In fact, a single set of national multipliers can be used for the more common housing types and configurations with nearly as much accuracy as a set derived from the region where the subject development is located. For less common configurations of standard housing types and non-standard housing types, significant regional variation, however, does appear to exist.

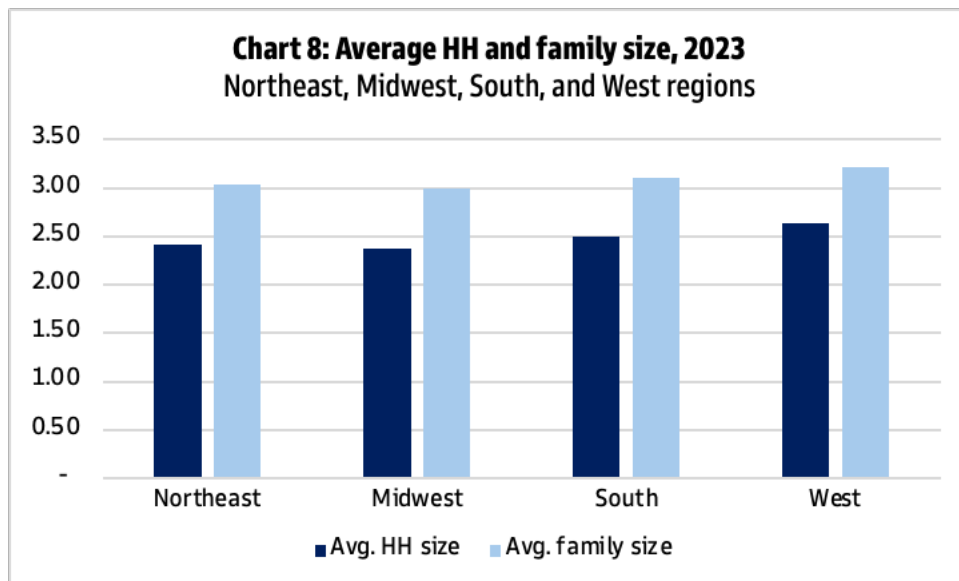
To test the notion that the Rutgers-Bloustein multipliers could have applicability to Deerfield, we studied the composition of housing units by type of unit in Illinois, New Jersey, and United States. All three are comprised of a similar proportion of single-family detached units as shown in the **Chart 7** below:



Source: U.S. Census Bureau and Meech Group

As can be seen in the chart above, there are only very minor differences in housing composition whether in Illinois, New Jersey, or the broader United States.

As another test, we analyzed average household and family size by region of the country. As is shown in **Chart 8** below, there is not much difference between regions, with average household size ranging from 2.37 in the Midwest to 2.63 in the West and average family size ranging from 3.00 in the Midwest to 3.21 in the West:



Source: U.S. Census Bureau and Meech Group

Because the Rutgers-Bloustein multipliers do seem to have some universal applicability, and since housing type appears to be the best indicator of population generation, we feel comfortable that the Rutgers-Bloustein multipliers are superior to those last updated by ISCS in 1996.

### Estimation of fair market value

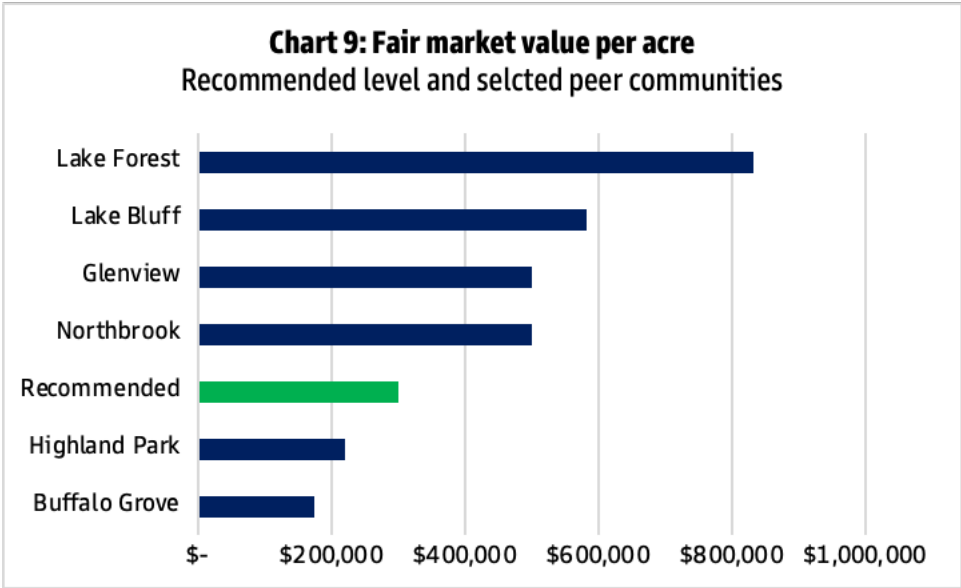
We reviewed data for recent land sales in Deerfield to determine a benchmark FMV per acre of land. As shown in **Table 2** below, sales prices ranged from \$350,000 to over \$1.3 million for vacant lots ranging in size from around a quarter acre to 1.11 acres:

**Table 2:** Recent local vacant land sale comparables

Date	Address	Sale price	Area (ac.)	Price per ac.
12/19/24	1575 North Ave	\$ 290,000	0.26	\$ 1,115,385
12/19/24	1565 North Ave	290,000	0.26	1,115,385
6/4/24	757 Kipling Pl	355,000	0.37	959,459
5/21/24	665 Castlewood Ln	220,000	0.30	733,333
2/29/24	954 Osterman Ave	240,000	0.27	888,889
12/29/23	1535 Stratford Rd	399,000	0.36	1,108,333
7/6/22	140 Kenmore Ave	333,000	0.34	979,412
3/22/22	1760 Chris Ct	175,000	0.50	350,000
3/8/22	775 Elysian Way	268,000	0.40	670,000
3/4/22	12260 W Chris Ct	175,000	0.50	350,000
2/14/22	1116 Meadowbrook Ln	1,500,000	1.11	1,351,351
<b>Weighted average</b>				<b>908,994</b>

Source: Zillow and Meech Group

If we weight the sales price per acre by site size, the average for all comparables is just over \$900,000. We would recommend using \$300,000 per acre for calculating the Village’s impact fees. In **Chart 9** below, we show how this recommended value relates to benchmark values used by communities in our impact fee survey:



Source: Meech Group

It should be noted, however, that some communities have provisions in their code that either call for an appraisal to be done at the time impact fees are assessed or allow for applicants to propose a different (presumably lower) benchmark value based on their own appraisal.

### Recommended school fees

Based on our survey of impact fees in peer communities, it is clear that these calculations are complicated and hard to understand. There does, however, appear to an opportunity to simplify the formula in Deerfield. Every community we surveyed expressed school acreage as function of likely students, school capacity, and minimum school site size. A simpler approach would be to express all acreage needs as a minimum required acreage per 100 students, reducing the number of variables used to calculate school impact fees from four to three:

$$School\ impact\ fee = Sm \times \frac{Sa_{100}}{100} \times Fmv$$

Where:

- *Sm* refers to demographic multipliers for student populations,
- *Sa<sub>100</sub>* refers to the acreage requirements for school sites per 100 students, and
- *Fmv* refers to fair market value of one acre of land.

We would recommend adopting this simpler, less confusing formula.

In the following, we summarize our research on LOS for schools, including a rule-of-thumb approach that has been used by planners in the past, schools LOS figures used by other communities in calculating impact fees, and existing LOS figures for school districts 109 and 113.

#### Rule-of-thumb approach

For decades, school districts and planners used a rule-of-thumb approach for determining school site sizes. Beginning in the 1950s, planners began recommending that elementary schools be provided a minimum site of five acres, middle schools a minimum of 10 acres, and high schools a minimum of 20 acres. In all cases, an additional acre was recommended for every 100 students of predicted ultimate enrollment. Calculation by the rule-of-thumb approach yields the following acreages, as shown in **Table 3** below:

**Table 3: School site size, rule-of-thumb approach**

	Min. ac.	Students	Total ac.	Ac. per 100
Elementary	5	500	10	2.0
Junior high	10	1,000	20	2.0
High school	20	2,000	40	2.0

Source: Meech Group

As shown above, the rule-of-thumb approach results in an LOS of 2.0 acres per 100 students for all three types of schools.

#### School LOS for survey communities

In **Table 4** below, we summarize minimum acreage requirements for the survey community group, including the requirements in the Village’s existing impact fee ordinance:

**Table 4: Schools LOS per 100**

	Elementary	Junior high	High school
Buffalo Grove	1.8	2.1	1.7
Deerfield	2.5	3.3	5.0
Glenview	1.8	3.2	2.4
Highland Park	2.4	4.3	1.6
Lake Bluff	2.5	3.3	3.3
Lake Forest	1.1	1.7	3.3
Northbrook	1.6	1.6	2.8
<b>Average</b>	<b>2.0</b>	<b>2.8</b>	<b>2.9</b>

Source: Meech Group

As is shown above, the minimum acreage requirements average between 2.0 and 2.9 acres per 100 students across all school types.

School LOS for Deerfield

In **Table 5** below, we summarize the existing LOS for school districts 109 and 113 based on interviews with district representatives:

**Table 5: Existing LOS for school districts**

	Acres	Enrollment	Ac. per 100
D109	31.2	2,707	1.1
D113	140.0	3,094	4.5
<b>Total</b>	<b>171.2</b>	<b>5,767</b>	<b>3.0</b>

Source: School districts 109 and 113

As shown in the table above, the existing LOS for the elementary district is 1.1 acres per 100 students and 4.5 for the high school district. Combined, the existing LOS for both district is 3.0 acres per 100 students.

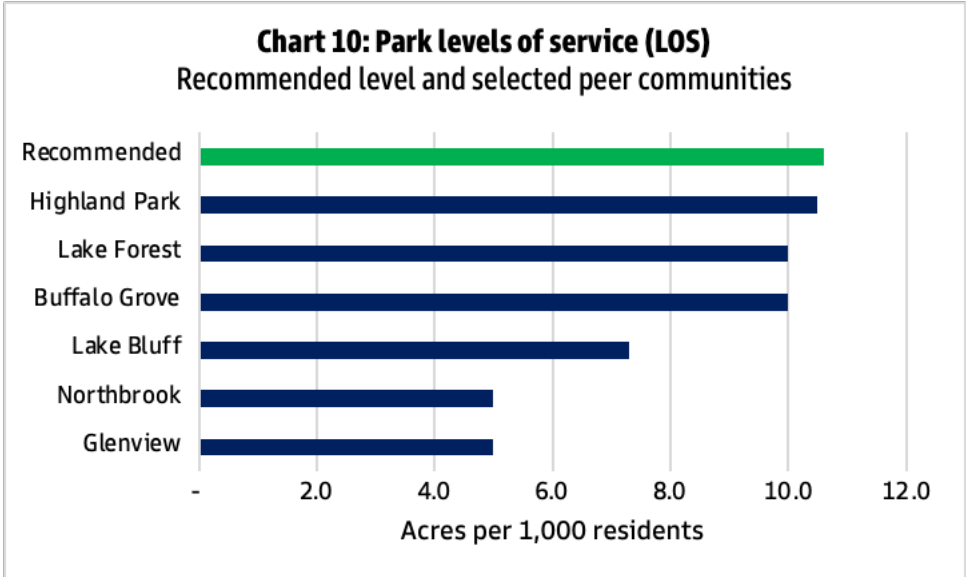
In updating the Village’s existing impact fee ordinance, we would recommend using 2.0 acres per 100 students for elementary and junior high schools and 4.0 acres per 100 students for the high school district. These figures are consistent with the existing LOS for both school districts and the LOS standards used in our survey of other communities.

**Recommended park fees**

Acreage of parkland per 1,000 residents is the most common technique of expressing LOS for park districts. The National Park and Recreation Association (NRPA) has established a benchmark LOS of 10.6 acres per 1,000 residents.

The Village’s existing impact fee ordinance is based on a standard of 15 acres of parkland per 1,000 residents, which was based on park district acreage and service-area population figures from 1993. Per current information from the park district, its facilities include approximately 346 acres of property within its boundaries. The park district’s current service-area population figure of 18,884, equates to an LOS of approximately 18.3 acres per 1,000 residents.

We would recommend the Village lower its the LOS for the park district to 10.6 acres per 1,000 residents since this is consistent with the NRPA standard. In **Chart 10** below, we show how our recommended LOS for the park district compares to communities in our survey:



Source: Meech Group

As shown in above, our recommendation to lower the park district LOS to 10.6 acres per 1,000 residents also brings the Village in line with the LOS used by selected peer communities when calculating impact fees.

**Recommended library and Village-facility fees**

Impact fees for the Deerfield Public Library and Village facilities is based on a standard of 4.09 acres of per 1,000 residents in the Village’s existing impact fee ordinance, which was based on acreage and population figures from 1996.

Based on information from an interview we conducted with the Deerfield Public Library, its facilities encompass 1.52 acres and serve a population of 18,884. These figures equate to an LOS of 0.08 acres per 1,000 residents. Per current information from Village staff, Village facilities include approximately 84.4 acres of property within its municipal boundaries. The Village’s current population figure of 18,884, equates to an LOS of approximately 4.47 acres per 1,000 residents.

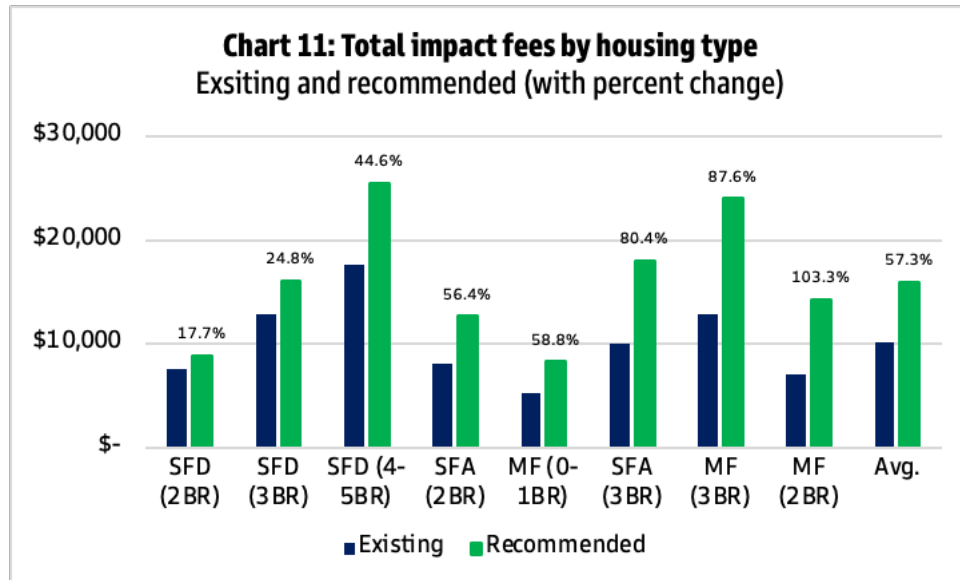
Combined, the current LOS for the library and Village facilities is approximately 4.6 per 1,000 residents. As such, we would recommend increasing the standard for the library district and Village facilities to 4.6 acres per 1,000 residents to reflect current LOS in the Village.

**Recommended fire-protection fees**

The Village’s existing impact fee ordinance is based on a standard of 0.03 acres of properties housing fire-protection district facilities per 1,000 residents, which was based on LOS figures from 1996. Per information garnered from our interview with representatives from the fire-protection district, its facilities include approximately 4.4 acres of property. The fire district’s current service-area population figure of 22,216 equates to an LOS of approximately 0.20 acres per 1,000 residents. As such, we would recommend increasing the standard for the fire-protection district to 0.20 acres per 1,000 residents to reflect existing LOS for fire protection in the Village.

Conclusions

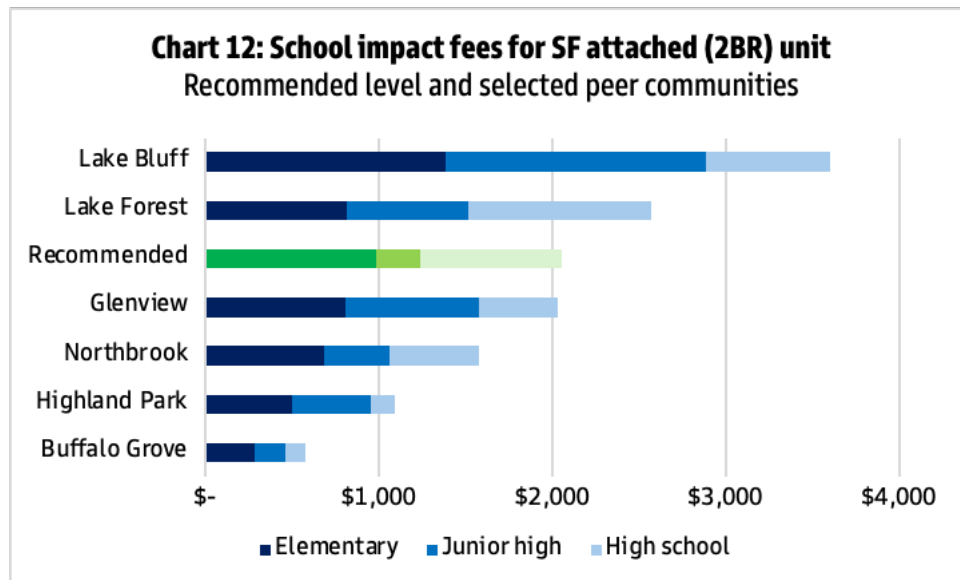
In **Chart 11** below, we show how our recommended total impact fee levels compare to fee levels in the Village’s existing ordinance:



Source: Village of Deerfield and Meech Group

As shown above, our recommended changes to the Village’s existing impact fee ordinance would result in an average fee increase of 57.3 percent across all residential unit types.

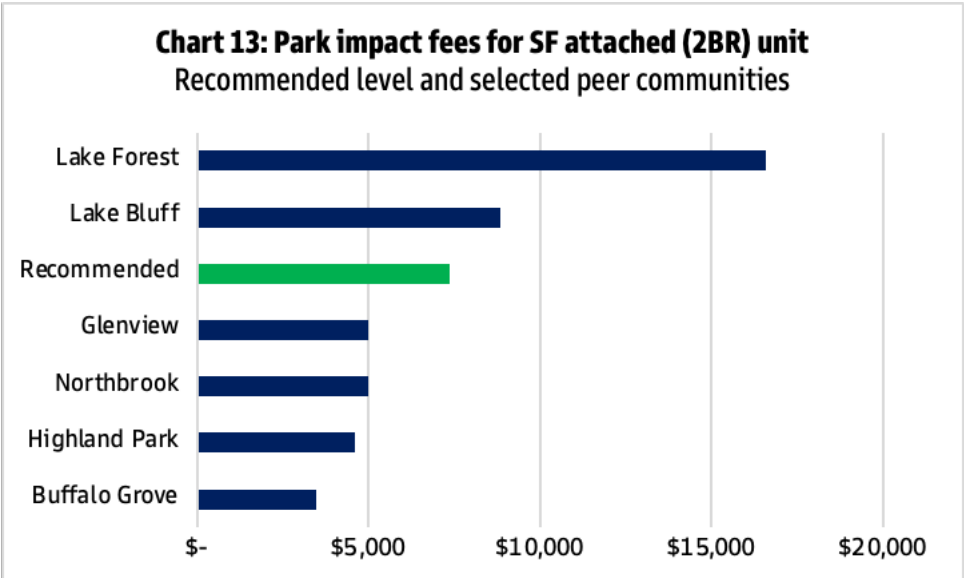
In **Chart 12** below, we summarize how our recommended impact fees for the school districts would compare to selected peer communities:



Source: Meech Group

As shown above, the combination of our recommendations related to demographic multipliers, LOS standards, and the FMV of vacant land results in a fee level for schools that would place Deerfield in the higher end of levels among selected peer communities.

In **Chart 13** below, we summarize how our recommended park district impact fees would compare to selected peer communities:



Source: Meech Group

As shown above, the combination of our recommendations related to demographic multipliers, LOS standards, and the FMV of vacant land in the Village results in a fee level for parks that would place Deerfield in the higher end of the range of park impact fees in selected peer communities.

# Appendix

**Table A-1: ISCS multipliers (1996)**

	Pre-school	Elementary	Junior high	High school	Subtotal: K-12	Adults	Total occupants
<u>Single-family detached</u>							
2 bedroom	0.113	0.136	0.048	0.020	<b>0.204</b>	1.700	<b>2.017</b>
3 bedroom	0.292	0.369	0.173	0.184	<b>0.726</b>	1.881	<b>2.899</b>
4 bedroom	0.418	0.530	0.298	0.360	<b>1.188</b>	2.158	<b>3.764</b>
5 bedroom	0.283	0.345	0.248	0.300	<b>0.893</b>	2.594	<b>3.770</b>
<b>Unweighted avg.</b>	<b>0.277</b>	<b>0.345</b>	<b>0.192</b>	<b>0.216</b>	<b>0.753</b>	<b>2.083</b>	<b>3.113</b>
<u>Single-family attached</u>							
1 bedroom	-	-	-	-	-	1.193	<b>1.193</b>
2 bedroom	0.064	0.088	0.048	0.038	<b>0.174</b>	1.752	<b>1.990</b>
3 bedroom	0.212	0.234	0.058	0.059	<b>0.351</b>	1.829	<b>2.392</b>
4 bedroom	0.323	0.322	0.154	0.173	<b>0.649</b>	2.173	<b>3.145</b>
<b>Unweighted avg.</b>	<b>0.150</b>	<b>0.161</b>	<b>0.065</b>	<b>0.068</b>	<b>0.294</b>	<b>1.737</b>	<b>2.180</b>
<u>Multifamily</u>							
Studio	-	-	-	-	-	1.294	<b>1.294</b>
1 bedroom	-	0.002	0.001	0.001	<b>0.004</b>	1.754	<b>1.758</b>
2 bedroom	0.047	0.086	0.042	0.046	<b>0.174</b>	1.693	<b>1.914</b>
3 bedroom	0.052	0.234	0.123	0.118	<b>0.475</b>	2.526	<b>3.053</b>
<b>Unweighted avg.</b>	<b>0.025</b>	<b>0.081</b>	<b>0.042</b>	<b>0.041</b>	<b>0.163</b>	<b>1.817</b>	<b>2.005</b>

**Table A-2: Rutgers-Bloustein multipliers (2018) [1]**

	Pre-school	Elementary	Junior high	High school	Subtotal: K-12	Adults	Total occupants
<u>Single-family detached [2]</u>							
2 bedroom	0.039	0.031	0.015	0.015	<b>0.061</b>	1.730	<b>1.830</b>
3 bedroom	0.169	0.222	0.105	0.118	<b>0.445</b>	2.148	<b>2.762</b>
4-5 bedrooms	0.266	0.481	0.259	0.304	<b>1.044</b>	2.470	<b>3.780</b>
<b>Unweighted avg.</b>	<b>0.158</b>	<b>0.245</b>	<b>0.126</b>	<b>0.146</b>	<b>0.517</b>	<b>2.116</b>	<b>2.791</b>
<u>Single-family attached [2]</u>							
2 bedroom	0.218	0.164	0.042	0.068	<b>0.274</b>	1.819	<b>2.311</b>
3 bedroom	0.301	0.315	0.126	0.131	<b>0.572</b>	2.129	<b>3.002</b>
<b>Unweighted avg.</b>	<b>0.260</b>	<b>0.240</b>	<b>0.084</b>	<b>0.100</b>	<b>0.423</b>	<b>1.974</b>	<b>2.657</b>
<u>Multifamily [3]</u>							
0-1 bedrooms	0.064	0.058	0.020	0.048	<b>0.126</b>	1.378	<b>1.568</b>
2 bedroom	0.263	0.220	0.057	0.090	<b>0.367</b>	1.882	<b>2.512</b>
3 bedroom	0.351	0.478	0.245	0.271	<b>0.994</b>	2.226	<b>3.571</b>
<b>Unweighted avg.</b>	<b>0.226</b>	<b>0.252</b>	<b>0.107</b>	<b>0.136</b>	<b>0.496</b>	<b>1.829</b>	<b>2.550</b>

Notes

- [1] Includes only units built between 2000 and 2016.
- [2] Includes owner-occupied and rental units.
- [3] Includes only rental units in structures containing 5 to 49 units.

**Table A-3: Existing and recommended LOS by taxing district**

	<b>Existing</b>	<b>Recommended</b>	<b>Unit</b>
Elementary	2.50	2.00	Acres per 100 students
Junior high	3.33	2.00	Acres per 100 students
High school	5.00	4.00	Acres per 100 students
Park district	15.00	10.60	Acres per 1,000 residents
Library and Village facilities	4.09	4.60	Acres per 1,000 residents
Fire protection	0.03	0.20	Acres per 1,000 residents

Source: Village of Deerfield and Meech Group

# IMPACT FEES IN ILLINOIS



**ILLINOIS  
REALTORS®**





# The Purpose of this Report



*...is to provide information and guidance to aid in the discussion and consideration of impact fees at the local level. It addresses a range of topics to present a thorough understanding of impact fees:*

- ▶ Impact Fee State Law
- ▶ Impact Fee Case Law
- ▶ Types of Fees that Exist in Illinois
- ▶ Items to Consider When Enacting Impact Fees



# Impact Fees in Illinois

*When municipalities and counties grow in population, there is demand from local governments for more revenue for municipal and school funding.*

Although residential and commercial development produces long-term economic benefit to the entire community, municipalities often look to developers to help offset the perceived cost of that growth. These dollars are collected as an “exaction” on the developer or what’s commonly called an impact fee on new development.

Impact fees are imposed on new development, ostensibly to defray the cost of expanding or building new infrastructure. Depending on market conditions, impact fees fall completely on developers or are passed on to final property buyers. Who bears the brunt of these fees is an empirical issue. In either case, impact fees raise the price of housing.


On average, impact fees levied on home buyers are not inconsequential: [According to the 2019 National Impact Fee Survey by Duncan Associates](#), average total fees charged by jurisdictions surveyed in 2019 are \$13,627 for single-family units. School impact fees are the highest, followed by park and road impact fees. Police, fire and library fees, on the other hand, tend to be relatively low. In many Illinois municipalities, the average amount of fees can be much higher than that. Although local municipalities often argue that levying impact fees is necessary to cover the cost of building or improving utility and road infrastructure necessitated by new development, impact fees are often used to fund a wider array of services, such as police protection, parks, libraries and schools.

For the past 40 years, impact fees have been most prevalent in suburban Chicago and the collar counties. More recently, impact fees have been enacted in other parts of the state, particularly in the Metro-East region (southwestern Illinois). While those in the development community believe that development should “pay its own way,” and that growth necessitates improvements and additions in certain infrastructure components, the Illinois REALTORS® also recognizes that growth brings economic benefits through increased jobs and the expansion of the municipal tax base.

In addition to the property tax revenue that comes directly from owners of the new housing, there is the enhanced property tax base that results from commercial/retail development that would not exist were it not for new homeowners in the community.

For those governments that already impose impact fees, a review of land values is probably necessary, especially after the 2007-2009 Recession. Land values are an important part of

determining the actual amounts of impact fees. To use valuations that were ordained prior to the recession would result in an inflated and unfair impact fee.



With each new home that is built, there are new property tax payments, and a portion of those payments go toward infrastructure improvement costs (new school buildings or additions to existing school buildings, park and library expansions, etc.).

# Impact Fees:

## What is authorized by state law?

*These laws were enacted in the 1960s and 1970s and since their enactment, there have been several court cases which further define what is permissible for school, park and library impact fees.*

### ***Impact Fees for Schools, Parks and Libraries***


A municipality's power to enact an impact fee generally stems from the Illinois Municipal Code [65 ILCS 5/11-12-5]. This section grants municipal plan commissions the power to adopt comprehensive plans that include reasonable requirements for locating, among other things, school grounds. The law goes on to say that a school district may request that the municipality and/or county consider a plan for "school land donations." The law defines "school land donations" as "a donation of land for public school purposes or a cash contribution in lieu thereof, or a combination of both." The statute also makes clear that cash donations, or impact fees, can be used for construction of school buildings or other infrastructure necessitated by new development. This same statutory authority regarding land/cash donations exists for libraries and park districts.

### ***Impact Fees for Roads***

The Road Improvement Impact Fee Law, 605 ILCS 5/5-901 et. seq., passed in 1989, provides a comprehensive scheme for enactment of transportation impact fee ordinances in counties with a population over 400,000 and all home rule municipalities. Section 904 of the law provides that an impact fee "shall not exceed a proportionate share of costs incurred by a unit of local government which are specifically and uniquely attributable to the new development paying the fee." Id. at 31, citing 605 ILCS 5/5-904. This law also requires the creation of an Impact Fee Advisory Committee before road impact fees are required through a local ordinance.



# Case Law: What have Illinois courts said about impact fees?



The standard of “specifically and uniquely attributable” is paramount in the understanding of how impact fees should be assessed in Illinois.

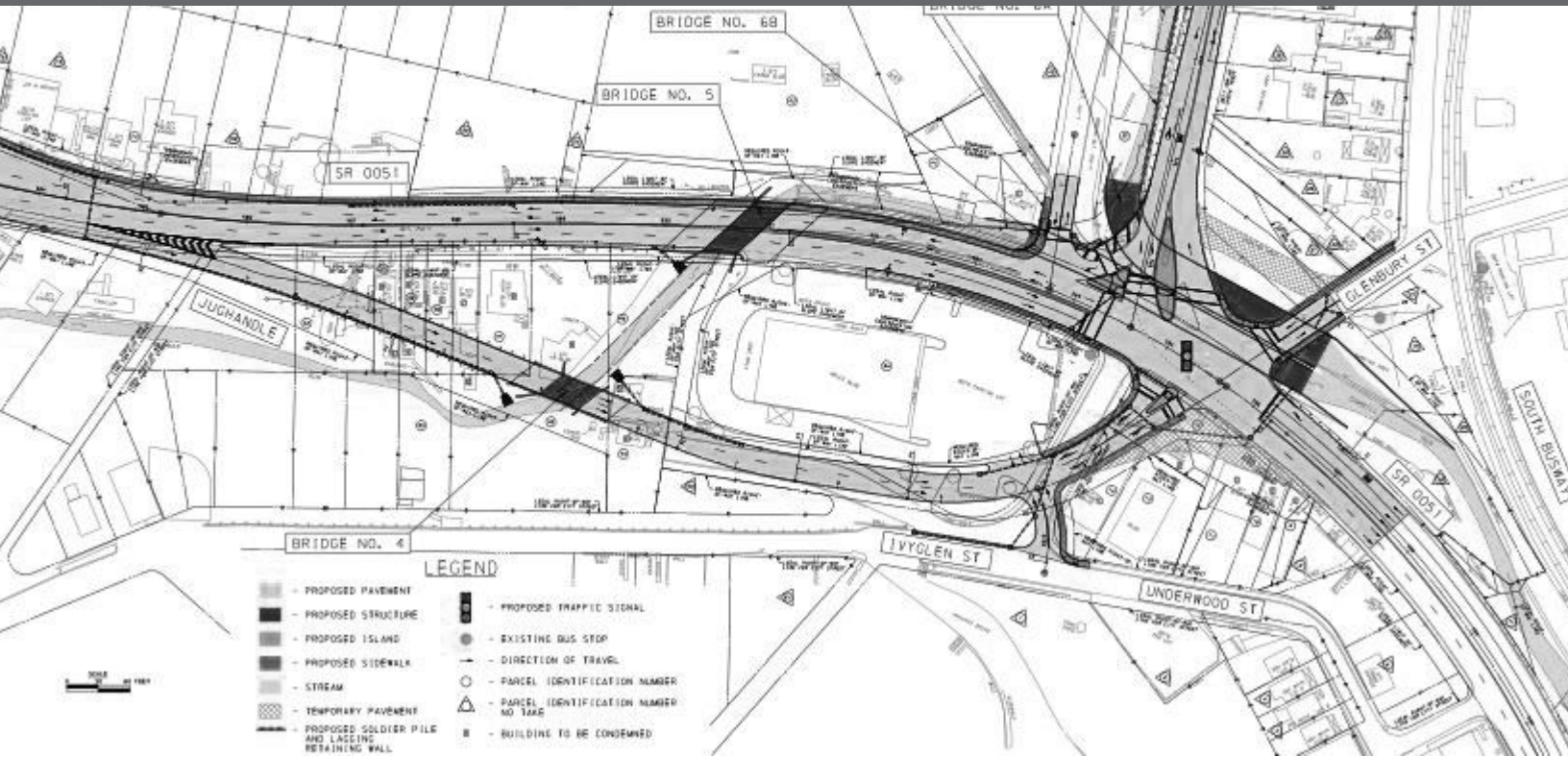
***The most important Illinois court case on impact fees is the landmark 1977 Illinois Supreme Court case, Krughoff vs. the City of Naperville.***

In the Naperville case, the Illinois Supreme Court revisited earlier Illinois court decisions and stated that land dedications were authorized by the Municipal Code and that those dedication requirements that were proportionate to the needs specifically and uniquely attributable to the developer’s activities did not violate the state constitution. Further, the Court dismissed an equal protection argument based on the city’s failure to apply dedication requirements to commercial and industrial property; in the Court’s opinion there was a rational distinction between residential and the other two types of developments.

In decisions prior to and after Krughoff, the standard of “specifically and uniquely attributable” is paramount in the understanding of how impact fees should be assessed in Illinois.

Recently, Illinois courts have applied the “specifically and uniquely attributable” standard to other challenges to impact fees or dedication requirements.

In Northern Illinois Home Builders Association, Inc. v. The County of DuPage (1995), the court reviewed a DuPage County ordinance to collect transportation impact fees from new developments. In this case, the Illinois Supreme Court defined “specifically and uniquely attributable” to mean, “that a new development creates the need, or an identifiable portion of the need, for additional capacity to be provided by a road improvement. Each new development paying impact fees used to fund a road improvement must receive a direct and material benefit from the road improvement constructed with the impact fees paid.”



## ***Public Policy Implications of the Court Decisions***

This standard of “specifically and uniquely attributable” and the Court’s clarifying definition of that term have clear implications for public policy-makers.

- ▶ Local governments seeking to impose impact fees must justify the imposition of any fee by demonstrating that the amount of the fee is directly related to the cost of the infrastructure needs caused by the new development.
- ▶ Revenue from impact fees cannot be used to pay for ongoing provision of public services. Revenue from impact fees should be dedicated for the provision of the infrastructure that motivated the fees in the first place.
- ▶ Local governments should try to determine just how much new development pays for itself in order to ensure that developers are not paying more than their proportionate share of the local government’s infrastructure costs.
- ▶ To curtail local government overreach in imposing these fees, Illinois REALTORS® drafted legislation (SB 2413) to promote fairness and equity in this critical development mechanism in the 103rd General Assembly. Our state advocacy will continue to promote these goals into state law in the future.

# Types of Impact Fees

*As was noted in the earlier section on State Law,*

impact fees for schools and parks are based on the statute which gives municipalities and counties the authority to require a land donation or cash in lieu of land from developers. Therefore, impact fee ordinances attempt to determine the amount of land that is needed for the school or park district in order to serve the population that will emerge from newly-constructed homes in the districts' jurisdictions. Impact fees are usually based on a formula applied to all new houses, often based on characteristics of the house. For example, the number of bedrooms is taken as a proxy for the number of children that might live in the house and this proxy is used to levy school-related impact fees.

## **Schools**

The typical school impact fee formula will make projections on the number of acres of land that is needed for the school children who will reside in the new homes. That number of acres is then multiplied by the fair market value of an acre of land in order to get a cash value for the calculation of the per-home impact fee.

Quite often these formulas are flawed for a number of reasons:

- ▶ The fair market value of land is over-stated.
- ▶ The per-home student projection is over-stated.
- ▶ The amount of projected school space needed for the new students is over-stated.

With these over-statements, the end result is that the fees are excessive and do not accurately reflect the developer's proportionate share of the costs of the school district's spatial and capital needs.

## **Parks**

Impact fees for parks typically utilize a similar formula except that the projections are based on the total number of occupants in a new home since all occupants—not just school-age children—are potential users of park district services. Similar to school fees, the focus is on the additional space or land that is needed for the new residents.

Much like the school impact fees that are over-stated or inflated, some park impact fees utilize a formula which attempts to exact more from the developer than is the developer's proportionate share. For example, a park district which currently has 8 acres of park district land per 1,000 persons in existing population may attempt to enact an impact fee ordinance which states that 12 acres per 1,000 new residents is necessary. This is inconsistent and results in an inflated impact fee—a fee that is not consistent with the "specifically and uniquely attributable" standard described earlier.



# Impact on Development Costs

## **Roadway Impact Fees**

The key to developing an optimal road impact fee is diligent analysis of transportation studies integrated into the existing transportation grid. The condition of the existing roads before the fees take effect is an important part of that analysis. Remember that road impact fees may only be used for improvements that are specifically and uniquely attributable to developments paying the fee.

## **When creating a road impact fee policy...**

- ▶ The traffic load of the surrounding roads and intersections near a proposed development must be evaluated.
- ▶ Reliable data must be collected to support any land use assumptions.

An important and relevant issue in any consideration of impacts fees is who ultimately bears the increase in development costs. While the fees imposed are imposed directly on developers, research suggests that developers bear little of the actual burden in a competitive housing construction market. While some of these costs may be shifted “backwards” from the developer to the owners of undeveloped land, new home purchasers likely bear most of the additional costs through higher housing prices. This dynamic will vary depending upon the particular community. In areas that are growing and are desirable places to live, any increase in the development costs can be more easily passed on to consumers. Growth and desirability will tend to introduce a degree of inelasticity in the demand for housing, especially new construction, and this inelasticity allows costs to be shifted forward to consumers. If impact fees are imposed in non-growing, less desirable areas, however, there is greater risk that builders and developers will not be able to recover their increased costs and will have to absorb the fees or simply choose not to develop housing.

**To review the  
2019 National Impact Fees survey, go to:**

**[www.impactfees.com/publications%20pdf/2019survey.pdf](http://www.impactfees.com/publications%20pdf/2019survey.pdf)**



# What should a fair impact fee include?

***A fair and equitable impact fee policy should incorporate the following principles:***

The standard of “specifically and uniquely attributable” must be closely adhered to. Local governments must justify the link between the amount of the fee and the impact created by the new development. That justification should be done with plans, studies and solid data about population projections. Population projections should be re-visited at least every five years to ensure that the development community is paying the appropriate amount in fees.

Impact fees cannot be used for operational costs of schools, libraries or park districts. Fees can only be used for land acquisition costs and capital expenditures (“bricks and mortar”).

The spatial needs of a school district should closely reflect the Illinois State Board of Education and Capital Development Board’s recommendations on land (acreage) donation. The acreage requirements are as follows:

- ▶ 5 acres plus 1 acre for every 100 students of projected enrollment for elementary schools.
- ▶ 20 acres plus 1 acre for every 100 students of projected enrollment for junior high schools and middle schools.
- ▶ 30 acres plus 1 acre for every 100 students of projected enrollment for high schools.

**School enrollment projections should be considered.** If the student population from existing homes (not new construction) is declining, that should be considered in any new impact fee requirement or increase.

**Administrative Appeals.** Local governments should provide options for administrative appeals of a determination of the amount of impact fees for a particular project.

***If you already have impact fees:***

Local governments that currently impose impact fees should consider declining enrollments in the schools and stable population numbers in general in their jurisdictions. Illinois’ actual population has declined slightly in recent years. Local officials may want to ask themselves, “Are impact fees even necessary?” At a minimum, existing impact fees should be re-examined. It is important to re-evaluate the need and calculations of these once-valid fees.

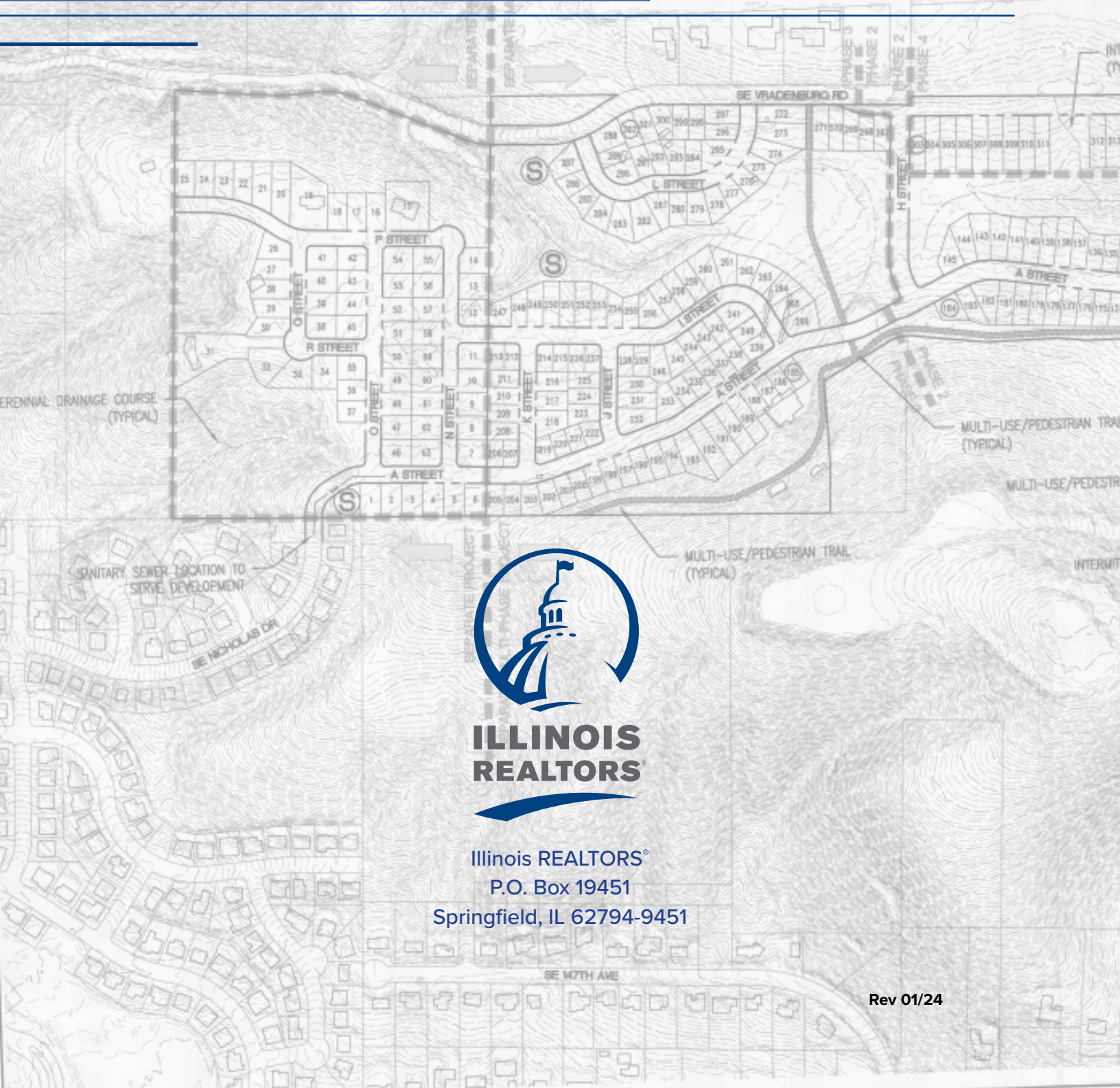
For those jurisdictions that already have impact fees, a review of land values may be necessary, especially after the 2007-2009 Recession. As explained in the prior section of this brochure, land values are an important determinant in the amounts of the impact fees that are assessed. To use pre-recession numbers and per-acre valuations would result in an inflated and unfair impact fee.



## Consider the Impact on Affordable Housing

Local governments also want to keep in mind that impact fees place a disproportionate burden on lower-income households. For example, suppose a household with an annual income of \$34,500 is buying a \$100,000 house with a \$90,000 mortgage at 8.0 percent. A \$3,700 increase in house price due to an impact fee would require an increase of 3.7 percent in down payment and \$360 more annually in house payments, which is 1.0 percent of the family's income. In a household with an income of \$69,000 buying a \$200,000 house with the same mortgage terms, the same rise in price would cause the same increase in annual payments; an increase equaling only 0.5 percent of that family's income.

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## VILLAGE OF DEERFIELD

October 9, 2025

Dear Community Stakeholder,

We are pleased to invite you to an important Committee of the Whole meeting to discuss Village of Deerfield impact fees. This meeting is scheduled for **October 22 at 5:00 p.m.** and will take place in the Council Chambers at **Deerfield Village Hall, 850 Waukegan Road, Deerfield, IL 60015.**

The Village of Deerfield ("**Village**") currently imposes fees for new residential development. The purpose of these impact fees is to offset the costs of expanding or building new infrastructure required by the addition of new residents in the Village. The Village's current impact ordinance (O-93-48), last updated in 1993, states that developers are required to either a) dedicate land for parks lands, school sites, fire-protection district sites, and library and Village-uses site, or b) make cash contributions in lieu of an actual land dedication.

The purpose of this meeting is to engage with valued community organizations like yours to gather insights and input on the future development of our Village. Impact fees play a critical role in funding the infrastructure and public services that benefit us all. Your perspectives and contributions are vital to ensuring these fees are structured effectively to support our community needs and growth.

Additionally, at the meeting the Village Board will review the results of a recent impact fee study conducted by Meech Group, which was tasked with reviewing, analyzing and updating the Village's existing impact fees and assessing the competitiveness of its fees compared to peer communities.

Please mark your calendar and join us for this opportunity to collaborate and share your valuable ideas. We believe your participation will greatly enhance the discussion, fostering a comprehensive approach to community development.

Please feel free to reach out to me with any questions at 847-719-7403 or email [alichterman@deerfield.il.us](mailto:alichterman@deerfield.il.us).

We look forward to your attendance and a productive conversation.

Regards,

Andrew Lichterman  
Deputy Village Manager / Director of Community Development

# MEMORANDUM

**DATE:** February 9, 2026  
**TO:** Mayor and Board of Trustees  
**CC:** Kent Street, Village Manager  
**FROM:** Jessica Sciarretta, Management Analyst



**SUBJECT: Report of Staff re: Amusement Tax**

## **Introduction**

An amusement tax is a locally administered levy applied to a range of entertainment or leisure activities. It is imposed on individuals participating in or attending certain forms of entertainment. This tax typically includes admissions to events like movies, theaters, concerts, sports stadiums, live shows, amusement parks, carnivals and fairs. Occasionally, it extends to recreational activities such as gym memberships, bowling, skating, golfing, equipment rentals and instructional lessons.

## **Background**

During the March 18, 2024 Committee of the Whole, the May 20, 2024 Board Meeting, and the May 21, 2025 Committee of the Whole, staff presented survey results, comparative data, and key considerations related to the potential implementation of an amusement tax. Previously, the Mayor and Board discussed implementing the tax at 5% rate. Although, the Mayor and Board emphasized the importance of careful implementation to prevent undue burden on existing businesses. Additionally, the Board advised against imposing the levy on membership or admission fees to establishments such as country clubs, tennis clubs, athletic clubs, and golf courses. Additionally, it was recommended to exempt religious, educational, non-profit, charitable institutions and governmental entities from the tax.

During this period and at the direction of the Mayor and Board, staff worked with legal counsel to prepare a draft ordinance. Ultimately, adoption of the amusement tax was deferred pending additional direction and greater clarity regarding user types within the C-4 Entertainment and Limited Retail Zoning District ("*C-4 District*"). Staff is now seeking further guidance on the following aspects: the scope of the amusement tax, the tax rate and the preferred implementation timeline.

## **Considerations**

The draft ordinance has been narrowly tailored to intentionally limit its levy from existing businesses. However, current businesses that could be impacted include Kid's Empire, Ultimate Ninja and Sky Zone Trampoline Park. Future businesses that could be impacted include pickleball and other sports-themed entertainment facilities, hotels hosting ticketed events, comedy clubs, live performances, drama and cinema theaters, art fairs and carnivals, among others.

Given the limited scope of the tax, the Mayor and Board should consider the nuances and complexities associated with implementing, administering and enforcing an amusement tax on current and future businesses. For example, certain businesses such as hotels and liquor stores may not regularly pay the amusement tax; however, from time-to-time depending on the nature of the businesses' activity they may occasionally trigger the tax. This further adds to the nuance and administration of the tax for both the Village and the business owner/operator.

Furthermore, the draft ordinance and taxable amusements are largely consistent with the special use zoning criteria recently created for the C-4 District. Consideration should be given to the cost-benefit of implementing an amusement tax before the Village receives a formal land use proposal for the C-4 District since it would require significant effort to create the amusement tax program but may not yield expected revenues absent actual amusement establishments.

Finally, due to the evolving nature of this policy discussion staff has yet to formally engage the business community. However, it is recommended that, prior to adopting an amusement tax, staff coordinate with the DBR Chamber of Commerce and separately engage with potentially impacted businesses to gather input and discuss potential impacts.

### **Recommendations**

Potential next steps include the following:

#### **1. Defer Implementation**

Given that the entertainment categories typically subject to an amusement tax largely align with the special uses permitted within the C-4 Entertainment and Limited Retail Zoning District, it is recommended that the Mayor and Board defer adoption of an amusement tax ordinance until there is greater clarity regarding proposed land uses within the C-4 District.

#### **2. Implement an Amusement Tax (Rate Determined by the Mayor and Board)**

If the Mayor and Board elect to move forward, staff recommends first engaging with the business community and providing the Board with a comprehensive list of potentially impacted businesses, along with a proposed implementation timeline.

### **Conclusion**

Being a home-rule unit of government, the Village has the authority to enact a locally administered amusement tax. The tax could apply to both existing and potential future entertainment or admission-required business establishments. According to the draft ordinance a very limited number of existing establishments would be subject to the amusement tax. The tax can also be highly nuanced when existing businesses only occasionally participate in amusement activities that trigger the tax and create compliance challenges. Staff finds value in having a draft ordinance available for the Board's comments and input but ultimately recommends delaying adoption of the ordinance until there are a greater number of potential amusement establishments likely to locate in the Village. Staff will be available at the February 9, 2026 Committee of the Whole meeting to answer questions.

**Reports and Documents Attached:**

1. Memorandum
2. Amusement Tax Survey
3. Draft Amusement Tax Ordinance

**Amusement Tax Survey**

***Group One***

<b>Municipality</b>	<b>Approx. FY2022 Revenue</b>	<b>Amusement Tax Rate</b>
Village of Morton Grove	\$30,000	5%
Village of Niles	\$150,000*	3%
Village of Northbrook	\$49,964	\$0.25 per admission ticket
Village of Skokie	\$336,869	2%
Village of Vernon Hills	\$175,000	4%
Village of Wheeling	\$30,000	4%

\*Revenue is from six to eight businesses

***Group Two***

<b>Municipality</b>	<b>Approx. FY2022 Revenue</b>	<b>Amusement Tax Rate</b>
City of Chicago	\$232,000,000	9%
City of Evanston	\$520,000	5%
Village of Hoffman Estates	\$588,744*	6%
Village of Rosemont	\$3,322,898	6% **
Village of Schaumburg	\$2,033,731	5%

\*Majority of revenue is from the NOW Arena

\*\*Village of Rosemont increased amusement tax rate from 4% to 6% effective January 1, 2024

VILLAGE OF DEERFIELD

ORDINANCE NO. 2024 \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 9 OF "THE MUNICIPAL CODE OF THE VILLAGE OF DEERFIELD, ILLINOIS, 1975," AS AMENDED, ESTABLISHING AN AMUSEMENT TAX

WHEREAS, the Village of Deerfield is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Illinois Constitution; and

WHEREAS, the Village of Deerfield is authorized by Section 11-42-5 of the Illinois Municipal Code, 65 ILCS 5/11-42-5, to license, tax, and regulate theatricals, exhibitions, shows, amusements, and places for amusement, among other things (collectively, "Amusement Tax"); and

WHEREAS, the Village Board has determined that it is appropriate and in the best interests of the Village to impose an Amusement Tax; and

WHEREAS, pursuant to the authority conferred upon home rule units under Division 2.1 of the Illinois Municipal Code and 65 ILCS 5/11-42-5, the Village Board finds that it is necessary and in the public interest of the Village that "The Municipal Code of the Village of Deerfield, Illinois, 1975," as amended ("*Village Code*") be further amended as provided in this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE BOARD OF DEERFIELD, LAKE AND COOK COUNTIES, ILLINOIS, as follows:

**SECTION ONE: RECITALS.** The foregoing recitals are incorporated into, and made a part of, this Ordinance as findings of the Village Board.

**SECTION TWO: AMENDMENT TO CHAPTER 9 OF THE VILLAGE CODE.** The Village Code, Chapter 9, titled "Finance and Taxation," is hereby amended in its entirety to add a new Article 14, which shall be titled "Amusement Tax," and shall be and read as set forth in **Exhibit A** attached hereto and incorporated herein.

**SECTION THREE: PUBLICATION.** The Village Clerk is hereby directed to publish this Ordinance in pamphlet form pursuant to the Statutes of the State of Illinois.

**SECTION FOUR: EFFECTIVE DATE.** This Ordinance will be in full force and effect after the later of: (i) passage, approval, and publication in the manner provided by law; and (ii) \_\_\_\_\_.

[SIGNATURE PAGE FOLLOWS]

AYES:

NAYS:

ABSTAIN:

ABSENT:

PASSED:

APPROVED:

ORDINANCE NO.

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Daniel C. Shapiro, Mayor

ATTEST:

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Kent S. Street, Village Clerk

## EXHIBIT A

### Article 14. Amusement Tax

#### Sec. 9-100. Definitions:

As used in this Article, the following words or terms shall have the following meanings:

*Amusement.* Any establishment, event, activity, exhibition, performance, presentation, or show offered for public entertainment or participation, including, without limitation: (i) sports-themed entertainment establishments, such as golf driving ranges, miniature golf, skating rinks, bowling alleys, trampoline parks; (ii) motion picture theaters; (iii) drama and comedy theaters; (iv) comedy clubs; (v) virtual reality establishments; (vi) video game lounges and arcades, but not including video gaming that is prohibited by Section 15-19.1 of the Village Municipal Code; (vii) indoor playgrounds; (viii) carnivals and fairs; and (ix) art studios.

*Admission Fee or Charge.* Any fee or charge made or received to witness, view, participate in, or otherwise gain access to any Amusement, whether or not represented by a ticket, admission stub, or receipt of any kind. An admission fee or charge includes but is not limited to, all fees or charges for seats, chairs, tables, benches, space to stand or sit, special seating areas, tents, structures, booths, or other similar accommodations made for which there is a fee or charge.

*Amusement Owner.* Any person who is the owner, licensee, or operator, or otherwise has a proprietary interest in the Amusement so as to entitle such a person to all or a portion of the proceeds from the operation, conduct, or presentation of such Amusement, excluding proceeds from non-amusement services and from sales of tangible personal property.

*Patron.* Any person who witnesses, views, participates, is admitted to, or otherwise gains access to any Amusement in the Village for which an admission fee or charge is imposed; who pays an admission fee or charge to participate in any Amusement; or otherwise acquires a ticket or pass of any kind from a place other than the location where such ticket or pass is purchased or acquired for admission to any Amusement within the Village.

#### Sec. 9-101. Tax Imposed; Rate:

- (a) A tax is levied imposed upon the privilege of viewing or participating in the Amusement within the Village at the rate of     % of the gross receipts from admission fee or charge collected to witness, view, or participate, or otherwise gain access to the Amusement, exclusive of Federal or State taxes, to attend, observe, or participate in any Amusement. No person can produce, present, or conduct any Amusements for gain or profit without collecting payment of the tax.
- (b) Where a Patron pays a single fee or charge for admission to any Amusement and the fee also entitles the Patron of the Amusement to food and beverage, the owner will account to the Village for the division of the charges and collect the

Amusement surcharge on that portion assessed to Amusement and collect the Village's food and beverage tax on the portion assessed to food and beverage. In the event any other taxes or fees are charged by the village, a similar accounting must occur.

**Sec. 9-102. Exemptions:**

The tax imposed by Sec. 9-101 of this Chapter does not apply to the following persons or privileges of witnessing, viewing, or participating in any Amusement:

- (a) Membership fees or charges paid to country clubs, tennis clubs, athletic clubs, or golf courses for rounds of play.
- (b) The privilege of witnessing or participating in any Amusement sponsored or conducted by and the proceeds of which, after payment of reasonable expenses, inure exclusively to the benefit of:
  - (1) Religious, educational, or charitable institutions, societies, or organizations;
  - (2) Not-for-profit entities duly qualified under the laws of the State of Illinois; or
  - (3) Governmental entities.

**Sec. 9-103. Payment and Collection:**

The Amusement Owner jointly and severally is responsible for collecting the tax from each Patron. Every Amusement Owner required to collect the tax levied by this section must secure the tax from the Patron at the time that they collect the admission fee or charge for the Amusement or rental.

Each Amusement Owner, for each Amusement in the Village, must file a sworn monthly amusement tax return, prepared on a calendar month basis, to the Finance Director on prescribed or approved forms showing the total amount collected during the preceding month for admission fees or charges collected to each Amusement produced, presented, or conducted, exclusive of any tax imposed on such admission fees/charges by the United States of America or the State. Tax returns and payment of the amusement tax collected during the reporting period are to be filed and received within 20 days after the end of the calendar month, succeeding the end of the monthly filing period.

The Finance Director, or their designee, is designated as the administration and enforcement officer of the amusement surcharge hereby imposed on behalf of the Village. It is the Finance Director's, or their designee, responsibility and duty to collect all amounts due to the Village from Amusement Owners in the Village.

**Sec. 9-104. Inspection of Books and Records:**

The Finance Director has the right at all reasonable times to inspect and check the books and records of any Amusement or Amusement Owner liable for collecting such tax insofar as they pertain to admissions.

During the normal business working hours of any Amusement, the Finance Director or any person certified by him as his deputy or representative may enter the premises of any Amusement for the purposes of inspection and examination of its books and records for the proper administration of this Section, and for the enforcement of the collection of the tax hereby imposed. It is unlawful for any person to prevent, hinder, or interfere with the Finance Director or his duly authorized deputy or representative in discharging his duties hereunder. It is each Amusement Owner's duty to keep accurate and complete books and records containing all information necessary for the collection of the tax herein imposed. The Finance Director or his duly authorized deputy or representative must have full access at all times to records, including a daily report, showing (1) the number of tickets of admission issued during the 24-hour period and (2) the actual amusement surcharge receipts collected for the date in question. In the event that the inspection and examination by the Finance Director or their designee discloses a discrepancy in excess of 5% from the information furnished by the Amusement Owner, the cost of the inspection and examination is the responsibility of the Amusement Owner.

**Sec. 9-105. Enforcement of Payment:**

Whenever any Amusement Owner fails to pay any taxes herein provided, or when any Amusement Owner in the Village shall fail to collect the tax hereby imposed from any person who has the ultimate liability for payment of the same, the Village will, upon request of the Village President, bring or cause to be brought an action to enforce the payment of the tax on behalf of the Village in any court of competent jurisdiction. If the Village President, after a hearing held by or for him, finds that an Amusement Owner has willfully evaded his responsibility to collect the tax imposed by this Section, he may suspend or revoke all Village licenses, including but not limited to any liquor license issued under this Code, held by such person. The Amusement Owner has an opportunity to be heard at such hearing, held not less than five days after notice is given of the time and place thereof, addressed to him at his last known place of business. Pending notice, hearing, and finding, the Village President may temporarily suspend any license of which such person may be possessed. Any suspension or conviction resulting from such hearing does not relieve or discharge any civil liability for nonpayment of the tax due.

**Sec. 9-106. Interest; Penalties:**

If any tax is not paid when due, a penalty at the rate of 1% per 30-day period, or a portion thereof, from the day of delinquency will be added and collected. In addition, a penalty of 10% of the tax and interest due will be assessed and collected against any Amusement Owner who fails to collect and remit the tax imposed by this section.

**Sec. 9-107. Proceeds of Tax:**

All proceeds resulting from the imposition of the tax under this section, including interest and penalties, will be paid into the Village Treasury, credited to, and deposited in the Village's general fund.

**Sec. 9-108. Violations; Penalties:**

In addition to the remaining provisions of this section, any Amusement Owner found guilty in a court of competent jurisdiction of violating, disobeying, omitting, neglecting, or refusing to comply with or resisting or opposing the enforcement of any provision of this section upon conviction thereof, will be punished by a fine of not less than \$50 nor more than \$500 for the first offense, and not less than \$100 nor more than \$500 for the second and each subsequent offense. Each day, any violation of any provision of this section constitutes a separate offense.



# Memorandum

DATE: January 27, 2026  
TO: Mayor and Board of Trustees  
CC: Kent Street, Village Manager  
Eric Burk, Finance Director  
FROM: Justin Keenan, Assistant Village Manager  
SUBJECT: **Report of Staff re: Prepared Food and Beverage Tax**

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## **Introduction**

In 2017, the Village of Deerfield implemented a 1% prepared food and beverage tax. The revenue from this tax is used to fund the Village's Infrastructure Replacement Fund in conjunction with a portion of the Village's home-rule sales tax, infrastructure maintenance fees and MFT Funds. Since 2017, the Village has collected over \$6,000,000 in revenue.

<b>F&amp;B Annual Revenue</b>	
2017	\$ 502,544
2018	\$ 607,914
2019	\$ 659,344
2020	\$ 471,326
2021	\$ 606,487
2022	\$ 718,490
2023	\$ 809,390
2024	\$ 819,006
2025	\$ 849,725
<b>Total</b>	<b>\$ 6,044,226</b>

At the direction of the Village Board, staff began researching the possibility of increasing the food and beverage tax from 1% to 2% and using the additional revenue to create a restaurant fund. Based off of 2024 and 2025 data, staff would assume at least \$800,000 in additional annual revenue from the increase. This additional revenue could be used to fund the following programs:

1. Restaurant Façade Rebate Program – Open to Existing Businesses
2. Restaurant Interior Rebate Program – Open to Existing Businesses
3. Restaurant Investment Fund – Open to New Businesses

## **Considerations**

The food and beverage tax is imposed upon the purchase of prepared food and beverages for immediate consumption, whether or not those products are consumed on-site. Thus, a food and beverage tax applies to catering, carry-out and drive-thru establishments in addition to traditional restaurants.

The tax is not applied to: (i) meals provided to patients or residents of health care facilities, nursing homes, or other such institutions incidental to other services where no separate consideration is charged for meals; (ii) food dispensed from vending machines; or (iii) food sold under the authority of public or private school systems. The tax is also not levied on common grocery items since these items would not be defined as prepared food.

A significant number of neighboring communities have implemented a food and beverage tax ranging from 1-2%. Below is a chart showing current rates:

<b>Municipality</b>	<b>Rate</b>
Arlington Heights	1.25%
Buffalo Grove	1.00%
Des Plaines	1.00%
Glencoe	1.00%
Highland Park	1.00%
Lake Bluff	1.00%
Lake Forest	1.00%
Lincolnshire	1.00%
Niles	1.00%
Park Ridge	1.00%
Skokie	2.00%
Wheeling	2.00%
Wilmette	2.00%

While a large portion of neighboring communities have a 1% food and beverage tax, there are multiple communities with a 2% tax including Skokie, Wheeling and Wilmette.

**Restaurant Funds**

If approved, the estimated \$800,000 in annual revenue could be allocated toward the creation of the Restaurant Façade Rebate Program, Restaurant Interior Rebate Program, and the Restaurant Investment Fund. Draft program handbooks for all three initiatives are attached to this memorandum.

Both rebate programs would be specifically designed to support existing, non-franchised restaurants. By offering these incentives, the Village can help current establishments reinvest in their properties, remain competitive, and enhance the overall customer experience, while also strengthening the Village’s ability to attract new restaurant concepts.

*Restaurant Façade Rebate Program*

Modeled after the Village’s prior façade rebate program, this initiative would offer a 50% matching rebate to support eligible building and site improvements. Participants could receive up to \$50,000 for building upgrades and up to \$50,000 for site improvements, for a combined maximum award of \$100,000.

*Restaurant Interior Rebate Program*

The Restaurant Interior Rebate Program would be a new initiative designed to support reinvestment in both operational efficiency and customer experience. The program would offer a 50% matching rebate for interior improvements, with funding available in two categories:

**Back-of-House (BOH) Improvements**

Up to \$75,000 in matching funds for upgrades that improve kitchen operations and building infrastructure, including:

- Kitchen equipment and appliances
- Plumbing and electrical upgrades
- Fire suppression systems
- Grease traps
- Mechanical or code-compliance improvements

## Front-of-House (FOH) Improvements

Up to \$75,000 in matching funds for customer-facing enhancements, including:

- Bar renovations
- Flooring and lighting
- Furniture and fixtures
- Bathroom upgrades
- Painting and decorative finishes

This structure allows restaurants to invest strategically in both operational efficiency and guest experience, with a total potential reimbursement of up to \$150,000 per establishment.

### *Restaurant Investment Fund*

This program would allow the Village Board to offer customized incentive packages to prospective restaurants considering a location in the Village. Similar programs have been successfully implemented in neighboring communities such as Highland Park, Northbrook, and Glenview, where targeted incentives have helped attract well-known and high-quality dining establishments. While the program would operate under established guidelines, each incentive package would be tailored to the specific needs and circumstances of the applicant. This flexible approach would provide the Village with a valuable economic development tool, enhancing its ability to remain competitive and attract new restaurant investment.

### **Conclusion & Next Steps**

The increase to the food and beverage tax represents a strategic opportunity to reinvest in Deerfield's restaurant community while maintaining alignment with regional practices. With several neighboring municipalities already imposing a similar or higher tax rate, a modest increase would allow the Village to remain competitive while generating an estimated \$800,000 annually for targeted economic development initiatives.

The creation of the Restaurant Façade Rebate Program, Restaurant Interior Rebate Program and Restaurant Investment Fund would provide meaningful support to existing, non-franchised restaurants and help attract new dining establishments to the Village. Together, these programs would encourage reinvestment, enhance the overall dining environment and strengthen Deerfield's commercial vitality.

By reinvesting food and beverage tax revenue directly back into the restaurant sector, the Village can promote long-term economic growth, improve the customer experience and ensure that Deerfield remains a desirable destination for residents, visitors and prospective businesses alike.

If the Board expresses interest in exploring an increase to the food and beverage tax and the establishment of any of the three proposed restaurant-related funds outlined in this memorandum, staff would bring the item back for further discussion at a future Committee of the Whole meeting. At that time, staff would invite local restaurant owners and representatives from the Chamber of Commerce to participate and provide feedback on the potential impacts, structure, and overall feasibility of the proposed initiatives. This outreach would ensure stakeholder input is considered prior to any formal direction or action by the Board.

Assistant Village Manager Justin Keenan will be available to answer questions.

### **Attachments**

1. Restaurant Façade Rebate Program Handbook
2. Restaurant Interior Rebate Program Handbook
3. Restaurant Investment Fund Handbook



VILLAGE OF DEERFIELD

# Restaurant Façade Rebate Program Handbook

The Village of Deerfield launched a Restaurant Façade Rebate Program for non-franchise restaurants within the C-1, C-2 and C-4 Business Districts. The program is designed to encourage the improvement and revitalization of the visible exterior appearance of existing and new restaurants. Qualifying properties must have an operator with at least three (3) years of experience owning/operating a restaurant and an executed lease of at least five (5) years remaining. The program is set to begin on July 1, 2026 and is anticipated to run for five (5) years. To be eligible, an applicant must make a minimum investment of \$10,000.

## **Restaurant Building Improvements:**

- 50% reimbursement with a cap of \$50,000 per building\*

and

## **Restaurant Site Improvements:**

- 50% reimbursement with a cap of \$50,000 per building\*

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## **Total Improvements:**

- Up to \$100,000 if both Restaurant Building and Site Improvements are addressed.

\*All Village of Deerfield Permit fees are eligible for a full refund.

Once the improvements receive a Certificate of Approval from the Appearance Review Commission, the Mayor and Board of Trustees will review the financial eligibility, costs of the project, and if found to be acceptable, enter into an agreement with the applicant.

Complete instructions on how to apply for the Restaurant Exterior Rebate Program, the Application Form and a Cost Estimate Worksheet are enclosed.

Interested businesses should contact Planning & Design Specialist Liz Delevitt at [edelevitt@deerfield.il.us](mailto:edelevitt@deerfield.il.us) or 847.719.7483 for more information.

# Eligible Restaurant Building & Site Improvements

## Restaurant Building Improvements:

Restaurant Building Improvements mean facade renovations on elevations readily visible to the public. Building Improvements include, but are not limited to:

- Windows and Doors
- Awnings
- Signage
- Exterior Building Lighting
- Painting
- Masonry
- Gutters or Downspouts
- Public Art
- Fees - architectural

## Restaurant Site Improvements:

Restaurant Site Improvements mean exterior renovations of a building or the property surrounding that building, undertaken for the purpose of enhancing the appearance of the building and not required for the purposes of occupancy, or to satisfy any Village ordinance or regulations. Site Improvements include, but are not limited to:

- Landscaping
- Site Lighting
- Trash Enclosures
- New Patios and Outdoor Spaces
- Sidewalk Repair or Replacement
- ADA Improvements
- Underground Improvements Related to Restaurant Operations
- Fees – engineering and planning

## Ineligible Improvements:

- New Construction
- Interior Building Renovations (see Restaurant Interior Rebate Program)
- Roofing or Roof Repairs
- Routine Maintenance
- Subsurface Drainage Work

All proposed improvements are subject to the review and approval of the Community Development Department and the Appearance Review Commission.

# Reimbursements

If the recipient of a rebate sells the business for which a rebate was issued within five years after the improvement was completed, the business owner must reimburse the Village in accordance with the following schedule:

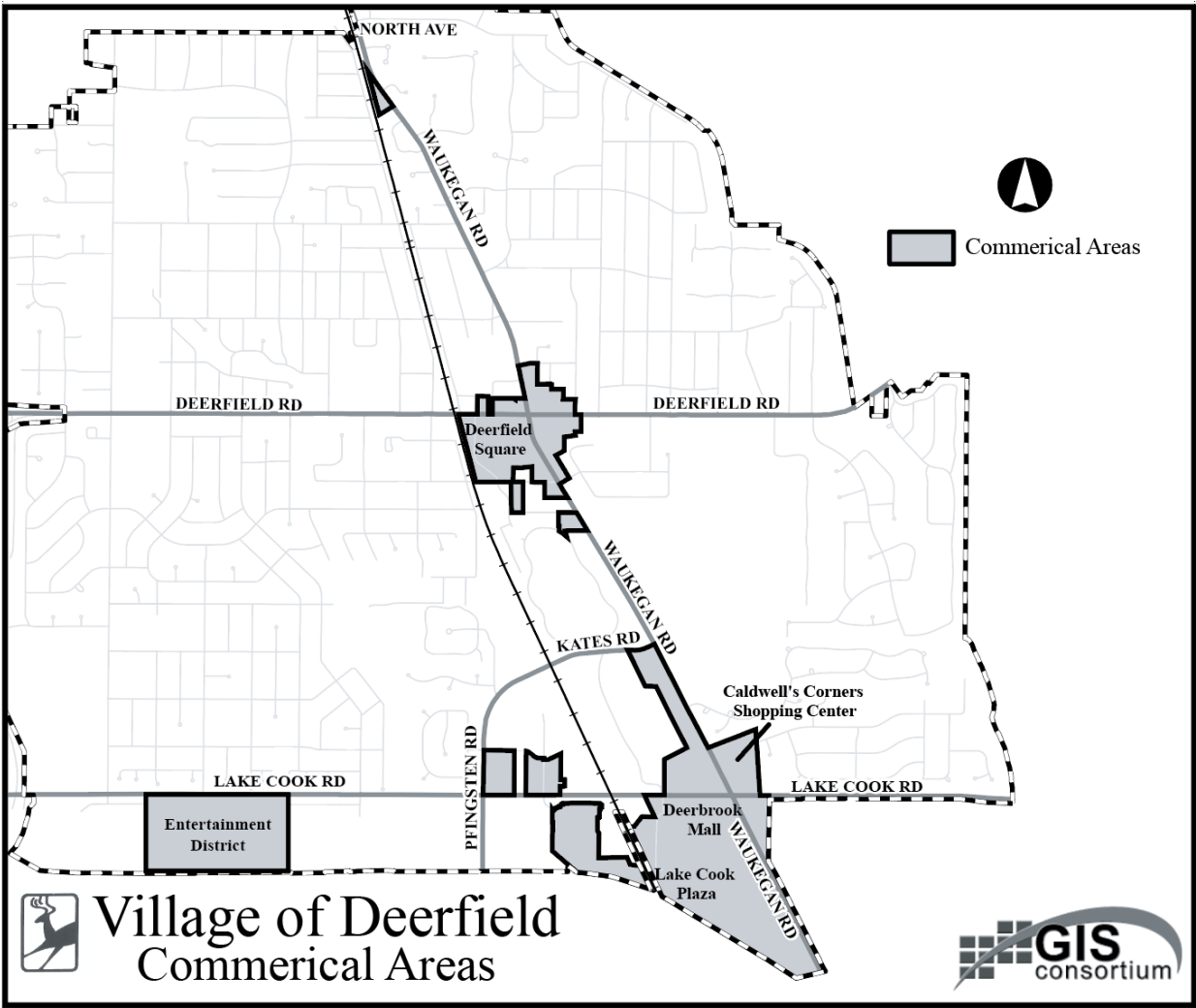
<b>Year of Sale</b>	<b>Percentage of Rebate Reimbursed to Village</b>
Up to 1 year	100%
Between 1 & 2 years	80%
Between 2 & 3 years	60%
Between 3 & 4 years	40%
Between 4 & 5 years	20%

*[This space left intentionally blank]*

# How to Apply for a Restaurant Exterior Rebate

1. Applicant submits Restaurant Exterior Rebate Application and Cost Estimate Worksheet to the Community Development Department c/o Liz Delevitt, Planning and Design Specialist at [edelevitt@deerfield.il.us](mailto:edelevitt@deerfield.il.us). Staff will review the application to determine its eligibility.
2. A preliminary meeting is scheduled between the applicant and Village staff to discuss the Restaurant Exterior Rebate and to review and discuss preliminary concepts, including zoning requirements and any Special Use hearings which may be required for specific land uses.
3. Upon completion of preliminary review and approval by staff, the application shall be submitted to the Appearance Review Commission's staff liaison and a meeting with the Commission is set. The applicant presents final plans/drawings, specifications along with building material samples to the Appearance Review Commission for review. Once approved by the Commission, the Chairperson would sign the Certificate of Approval.
4. Detailed costs/contractors' proposals are submitted to the Village. The Appearance Review Commission approved plans and detailed cost estimates are forwarded to the Mayor and Board of Trustees to review the financial eligibility and cost of the project. At the Board of Trustees meeting, the rebate may be granted. If the request is found to be acceptable, the applicant would enter into an agreement with the Village.
5. Actual construction of the job may only start after the issuance of any necessary building permits by the Village's Department of Community Development. All change orders must be approved by the Village.
6. After completion of the job, the applicant's cancelled checks and bills, all contractors' waivers of lien, and the lender's disbursement statement are sent to the Community Development Department. (Note: All information must be submitted together.)
7. Village staff examines the finished work for compliance with the Appearance Review Commission approved plans. Partial completion of improvements or failure to follow approved plan will void all agreements.
8. If in compliance, the Village sends the rebate check to the applicant. If required by the lender, the amount of the rebate, along with the loan proceeds can be deposited in and disbursed through a title company's construction escrow

# Map of C-1, C-2 & C-4 Business Districts





VILLAGE OF DEERFIELD

# Restaurant Exterior Rebate Program

## Application Form

1. Applicant's Name: \_\_\_\_\_
2. Contact Information: \_\_\_\_\_  
Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_  
Phone #: \_\_\_\_\_ Email: \_\_\_\_\_
3. Building Name: \_\_\_\_\_
4. Building Address: \_\_\_\_\_ Zoning District: \_\_\_\_\_
5. Name(s) of Owner(s): \_\_\_\_\_
6. Name(s) of Tenant(s): \_\_\_\_\_

7. Proposed Restaurant Building Improvements:

- |   |  |
|---|--|
| <input type="checkbox"/> Windows and Doors          | <input type="checkbox"/> Masonry               |
| <input type="checkbox"/> Awnings                    | <input type="checkbox"/> Gutters or Downspouts |
| <input type="checkbox"/> Signage                    | <input type="checkbox"/> Public Art            |
| <input type="checkbox"/> Exterior Building Lighting | <input type="checkbox"/> Other: _____          |
| <input type="checkbox"/> Painting                   |  |

Description of Work: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Proposed Restaurant Site Improvements:

- |  |   |
|--|---|
| <input type="checkbox"/> Landscaping                   | <input type="checkbox"/> Sidewalk Repair or Replacement |
| <input type="checkbox"/> Site Lighting                 | <input type="checkbox"/> ADA Improvements               |
| <input type="checkbox"/> Trash Enclosures              | <input type="checkbox"/> Underground Improvements       |
| <input type="checkbox"/> New Patios and Outdoor Spaces | <input type="checkbox"/> Other: _____                   |

Description of Work: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Restaurant Exterior Rebate Program

## Applicant Acknowledgment Form

The applicant, \_\_\_\_\_, agrees to comply with the design guidelines in the Restaurant Exterior Rebate Program and the specific design recommendations of the Village of Deerfield. Any changes in the approved plans or specifications must be presented to the Village of Deerfield Community Development Department.

I further understand that I must submit detailed cost documentation, including cancelled checks and bills, copies of Building Permits, and all contractors' waivers of lien, upon completion of Restaurant Exterior Rebate Program improvements and execute a facade easement with the Village of Deerfield to assure continuation of the approved facade and related design plans.

Submit to: Village of Deerfield  
Community Development Department  
850 Waukegan Road  
Deerfield, Illinois 60015

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**If you have any questions please contact Liz Delevitt, Planning & Design Specialist, at [edelevitt@deerfield.il.us](mailto:edelevitt@deerfield.il.us) or 847.719.7483 for more information.**

# Cost Estimate Worksheet

*(for staff use only)*

	<u>Estimated Cost</u>	<u>Estimated Village Rebate</u>
<b>A. Restaurant Building Improvements: \$</b>		
Design Fees:	+\$	
Total Building Improvement Cost:	<input type="text" value="\$"/>	(lesser of \$50,000 or 50%)
<b>Maximum Building Improvement Rebate:</b>		\$ _____
<b>B. Restaurant Site Improvements: \$</b>		
Design Fees:	+\$	
Total Site Improvement Cost:	<input type="text" value="\$"/>	(lesser of \$50,000 or 50%)
<b>Maximum Site Improvement Rebate:</b>		\$ _____



VILLAGE OF DEERFIELD

# Restaurant Interior Rebate Program Handbook

The Village of Deerfield launched a Restaurant Interior Rebate Program for non-franchise restaurants within the C-1, C-2 & C-4 Business Districts. The program is designed to encourage the improvement and efficiency of the interiors of existing and new restaurants. Qualifying properties must have an operator with at least three (3) years of experience owning/operating a restaurant and an executed lease of at least five (5) years remaining. The program is set to begin on July 1, 2026 and is anticipated to run for five (5) years. To be eligible, an applicant must make a minimum investment of \$10,000.

## **Front of House Improvements:**

- 50% reimbursement with a cap of \$75,000 per restaurant\*

and

## **Back of House Improvements:**

- 50% reimbursement with a cap of \$75,000 per restaurant\*
- A maximum of 25% of the allowance can go toward appliances

## **Total Improvements:**

- Up to \$150,000 if both Front and Back of House Improvements are addressed.

\*All Village of Deerfield Permit fees are eligible for a full refund.

Once the improvements receive an approval from the Director of Community Development, the Mayor and Board of Trustees will review the financial eligibility, costs of the project, and if found to be acceptable, enter into an agreement with the applicant.

Complete instructions on how to apply for the Restaurant Interior Rebate Program, the Application Form and a Cost Estimate Worksheet are enclosed.

Interested businesses should contact Planning & Design Specialist Liz Delevitt at [edelevitt@deerfield.il.us](mailto:edelevitt@deerfield.il.us) or 847.719.7483 for more information.

# Eligible Front & Back of House Improvements

## Front of House Improvements:

Front of House Improvements mean renovations to restaurant interiors that are visible to the public. Front of House Improvements include, but are not limited to:

- Bar Upgrades
- Flooring
- Lighting
- Furniture
- Bathroom Upgrades/ADA Improvements
- Painting and Murals
- Fees – architectural

## Back of House Improvements:

Back of House Improvement mean interior renovations to restaurant interiors that are not visible to the public, but necessary for restaurant operations. Back of House Improvements include, but are not limited to:

- Kitchen Infrastructure
- Kitchen Equipment (25% maximum)
- Permanent Walk-In Cooler
- Plumbing
- Electrical
- Permanent HVAC Equipment
- Fire Suppression Systems
- Grease-traps
- Fees – architectural and engineering

## Ineligible Improvements:

- Cookware
- Point of Sales Systems
- Menus
- Displays
- Security Systems
- Routine Property Maintenance
- Equipment or other items not permanently affixed to the property (excluding appliances)
- Exterior Improvements (see Restaurant Exterior Rebate Program)

All proposed improvements are subject to the review and approval of the Community Development Department.

# Reimbursements

If the recipient of a rebate sells the business for which a rebate was issued within five (5) years after the improvement was completed, the business owner must reimburse the Village in accordance with the following schedule:

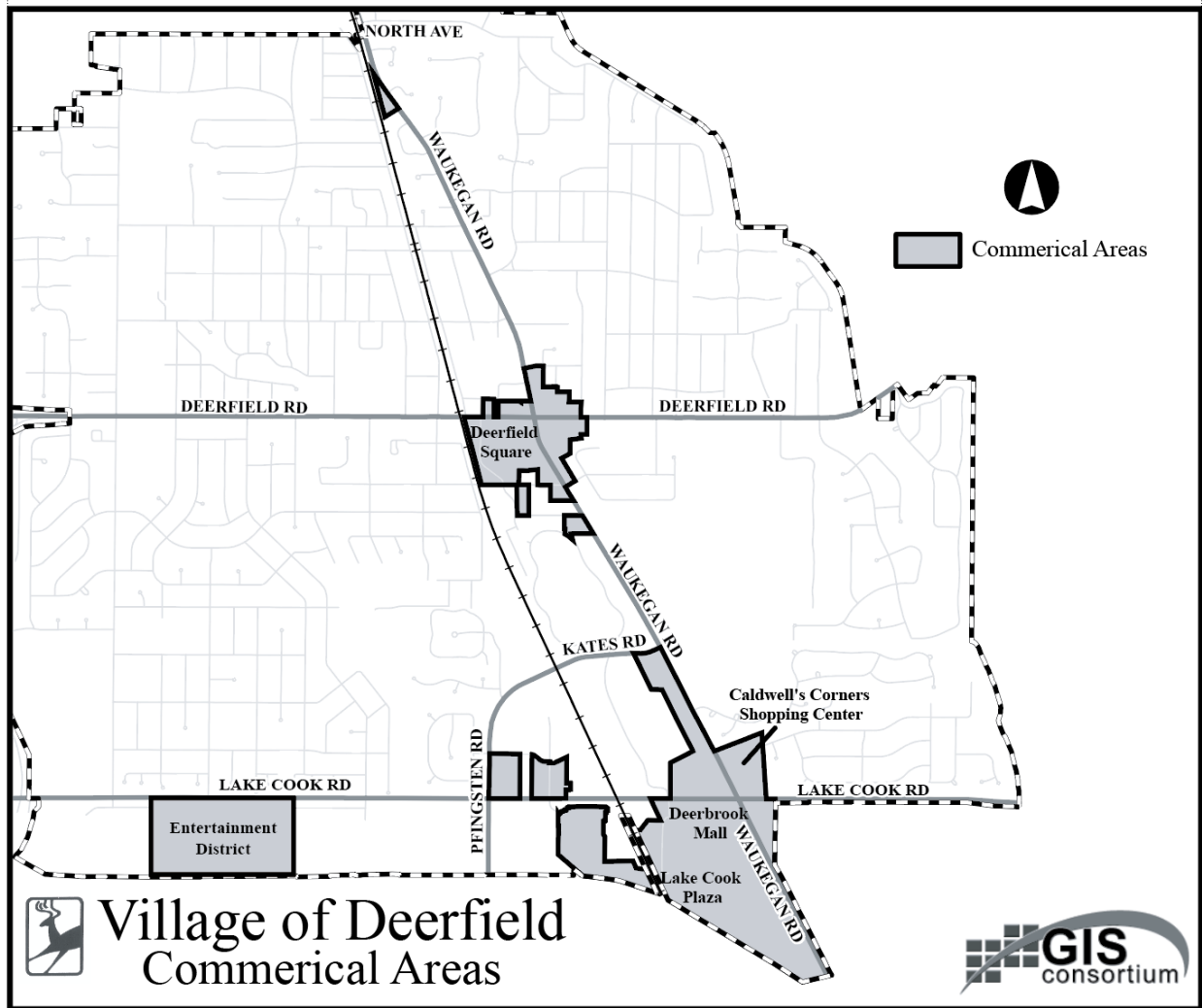
<b>Year of Sale</b>	<b>Percentage of Rebate Reimbursed to Village</b>
Up to 1 year	100%
Between 1 & 2 years	80%
Between 2 & 3 years	60%
Between 3 & 4 years	40%
Between 4 & 5 years	20%

*[This space left intentionally blank]*

# How to Apply for a Restaurant Interior Rebate

1. Applicant submits Restaurant Interior Rebate Application and Cost Estimate Worksheet to the Community Development Department c/o Liz Delevitt, Planning and Design Specialist, at [edelevitt@deerfield.il.us](mailto:edelevitt@deerfield.il.us). Staff will review the application to determine its eligibility.
2. A preliminary meeting is scheduled between the applicant and Village staff to discuss the Restaurant Interior Rebate and to review and discuss preliminary concepts and eligibility of the proposed improvements.
3. Upon completion of preliminary review, the applicant shall submit finalized plans/drawings, specifications along with interior material samples to the Community Development Department for review and approval.
4. Detailed costs/contractors' proposals are submitted to the Village. The Community Development Department approved plans and detailed cost estimates are forwarded to the Mayor and Board of Trustees to review the financial eligibility and cost of the project. At the Board of Trustees meeting, the rebate may be granted. If the request is found to be acceptable, the applicant would enter into an agreement with the Village.
5. Actual construction of the job may only start after the issuance of any necessary building permits by the Village's Department of Community Development. All change orders must be approved by the Village.
6. After completion of the job, the applicant's cancelled checks and bills, all contractors' waivers of lien, and the lender's disbursement statement are sent to the Community Development Department. (Note: All information must be submitted together.)
7. Village staff examines the finished work for compliance with the approved plans. Partial completion of improvements or failure to follow approved plan will void all agreements.
8. If in compliance, the Village sends the rebate check to the applicant. If required by the lender, the amount of the rebate, along with the loan proceeds can be deposited in and disbursed through a title company's construction escrow

# Map of C-1, C-2 and C-4 Business Districts





VILLAGE OF DEERFIELD

# Restaurant Interior Rebate Program

## Application Form

1. Applicant's Name: \_\_\_\_\_
2. Contact Information: \_\_\_\_\_  
Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_  
Phone #: \_\_\_\_\_ Email: \_\_\_\_\_
3. Building Name: \_\_\_\_\_
4. Building Address: \_\_\_\_\_ Zoning District: \_\_\_\_\_
5. Name(s) of Owner(s): \_\_\_\_\_
6. Name(s) of Tenant(s): \_\_\_\_\_

7. Proposed Front of House:

- |   |   |
|---|---|
| <input type="checkbox"/> Painting or Murals | <input type="checkbox"/> Furniture                              |
| <input type="checkbox"/> Bar Upgrades       | <input type="checkbox"/> Bathroom Upgrades/ADA Improvements     |
| <input type="checkbox"/> Flooring           | <input type="checkbox"/> Affixed Artwork or Decorative Elements |
| <input type="checkbox"/> Lighting           | <input type="checkbox"/> Other: _____                           |

Description of Work: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Proposed Back of House Improvements:

- |   |   |
|---|---|
| <input type="checkbox"/> Kitchen Infrastructure       | <input type="checkbox"/> Electrical               |
| <input type="checkbox"/> Kitchen Equipment (25% Max.) | <input type="checkbox"/> Permanent HVAC Equipment |
| <input type="checkbox"/> Permanent Walk-In Cooler     | <input type="checkbox"/> Grease-traps             |
| <input type="checkbox"/> Plumbing                     | <input type="checkbox"/> Other: _____             |

Description of Work: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Restaurant Interior Rebate Program

## Applicant Acknowledgment Form

The applicant, \_\_\_\_\_, agrees to comply with the design guidelines in the Restaurant Interior Rebate Program and the specific design recommendations of the Village of Deerfield. Any changes in the approved plans or specifications must be presented to the Village of Deerfield Community Development Department.

I further understand that I must submit detailed cost documentation, including cancelled checks and bills, copies of Building Permits, and all contractors' waivers of lien, upon completion of Restaurant Interior Rebate Program improvements.

Submit to: Village of Deerfield  
Community Development Department  
850 Waukegan Road  
Deerfield, Illinois 60015

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**If you have any questions please contact Liz Delevitt, Planning & Design Specialist, at [edelevitt@deerfield.il.us](mailto:edelevitt@deerfield.il.us) or 847.719.7483 for more information.**

# Cost Estimate Worksheet

*(for staff use only)*

	<u>Estimated Cost</u>	<u>Estimated Village Rebate</u>
A. <b>Front of House Improvements:</b>	\$	
Design Fees:	+ \$	
Total Front of House Cost:	<input type="text" value="\$"/>	(lesser of \$50,000 or 50%)
<b>Maximum Front of House Rebate:</b>		\$ _____
B. <b>Back of House Improvements:</b>	\$	
Design Fees:	+ \$	
Total Back of House Cost:	<input type="text" value="\$"/>	(lesser of \$50,000 or 50%)
<b>Maximum Back of House Rebate:</b>		\$ _____



VILLAGE OF DEERFIELD

# Restaurant Investment Fund Handbook

The Village of Deerfield launched a Restaurant Investment Fund to offer economic incentive offerings for sought-after restaurants groups to open a location within the C-1, C-2 & C-4 Business Districts. The Village recognizes the value of investing in businesses that bring employment, high-volume foot traffic and sales to the main commercial districts. The program intends be tailored to the specific needs of the restaurant and conditions of the existing space, through negotiations between the Village, Property Owner and Restaurant Operator.

Restaurant Groups interested in participating in the program must meet the following criteria:

- Established restaurant group
  - 5 years minimum in business
- 3-year average gross revenue per restaurant: \$3M
- \$3M minimum gross revenue generation throughout term
- High-quality dining and entertainment experience
- Fits into existing restaurant economy
- Ability to attract customers from both outside and inside of Deerfield
- Offer dine-in services with table servers
- 3,000 SF minimum restaurant
- Must meet established construction and occupancy milestones
- Complete Zoning Approval Process if needed