

SUGAR GROVE: SETTLERS RIDGE

SG agreement compensates for slowing housing market

Area agencies looking to village for financial help

By **KARTIKAY MEHROTRA**

kmehrotra@kcchronicle.com

Sugar Grove's economy is feeling the tugs of its slowed housing market from area developers and Kaneland schools.

But those groups' demands seem to be within the village's financial means.

At least two years after Sugar Grove last turned a significant profit from home sales, Settlers Ridge developers have come to the village asking for financial credits earlier than expected. At the same time, Kaneland schools are on the verge of completing a pact ensuring financial aid from its growing communities.

"It'll all work out pretty well," Village President Sean Michels said.

The school district's policy and the developers' request are sandwiched into a revision of the Settlers Ridge Annexation Agreement, which could be approved as soon as July 3, Finance Director Justin VanVooren said.

The agreement incorporates Kaneland's formal impact fee policy and ensures that Kimball Hill, developer

of the 2,500-unit Settlers Ridge Subdivision, will provide Kaneland with an eight-acre school site. It also grants Kimball Hill financial credit when the company is issued a



Sean Michels

Grove's real-estate slowdown because of the number of units it already committed.

"Permits are getting in slower than anyone had anticipated, us and them," VanVooren said. "A lot has changed since when we originally put the agreement together and now."

If approved, Kimball Hill – and any developer in any municipality served by Kaneland schools – will pay impact fees. Those fees vary by the cost of homes at the time of closing and will increase every year until 2010.

Under the current fee system, a \$350,000 four-bedroom

home would result in a \$4,991 impact fee. Under the tentative agreement, the fee would be \$3,400 for new homes built in 2007, \$3,886 in 2008, and \$4,857 in 2010.

"What people are paying today should be less than what people are paying tomorrow," said VanVooren, citing the gradually deflating value of the American dollar.

Kaneland school district officials were at the village's Committee of the Whole meeting Tuesday.

School board President Lisa Wiet said the six months of negotiations between Kaneland and the communities it serves was a grueling process, leaving every party satisfied.

"I'm just looking at it in retrospect now, and it's been a challenging process," Wiet said. "It's been amazing that we got this done; we've opened communications that maybe were not there before."

Maple Park and Cortland were first to sign the agreement, followed by Virgil, Elburn and Kaneville as recently as Thursday. Sugar Grove and Montgomery are expected to approve the resolution within the next two weeks.