

Amid housing slowdown, local leaders are...

# SCALING DOWN THEIR DREAMS

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Dirt was supposed to start moving this year at the corner of Route 30 and Municipal Drive in Sugar Grove. By 2009, officials were supposed to cut a ribbon on a new police station big enough to serve 50,000 residents.

But the leaders of the 8,000-per-

son town have shelved designs for the building after a downturn in the housing market left them with less than half of an expected \$5 million in developer funds.

"We were caught in the midst of a lot of plans," said Village President Sean Michels.

After an estimated 30 percent drop in sales and construction of Chicago-area homes this year, build-

ers are scaling down their plans for the Fox Valley, and some town leaders are finding they must do the same.

Developers holding off on building hundreds of planned homes also are holding back the hefty fees they pay to support services for new residents, leaving sizable holes in the

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## FUNDS DRYING UP

Fox Valley towns charge developers fees for everything from library books to sewers to pay for new residents' services. Below, see what six area towns expected from developers last fiscal year, what they received, and their predictions for next year.



	Expected in '06-07	Received in '06-07	Expected in '07-08
NORTH AURORA	\$1,585,000	\$1,781,562	\$1,545,000
MONTGOMERY	\$1,299,910	\$1,353,262	\$715,360
SUGAR GROVE	\$4,935,691	\$1,898,301	\$3,093,887
YORKVILLE	\$5,064,223	\$4,920,996	\$4,889,491
OSWEGO	\$2,675,000	\$2,328,000	\$1,890,000
PLANO	\$1,055,600	\$829,600	\$774,500

## HOUSING

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budgets of some area towns.

New hires, repairs and renovations are on the chopping block as municipal officials face a choice between canceling plans and making residents foot the bill for half-finished projects.

"No one's sitting on \$20 million that they can just go out and build a new building," said marketing director Rhonda Mont of the Aurora-based architectural firm Cortogian, Clark and Associates, where proposals for public buildings have slowed this year from three a week to three a month. "You can't move forward without money, and that's either going to come from impact fees or increased taxes."

### Scrapping proposals

No plans had to be shelved in communities like North Aurora where growth, though rapid, is fairly steady. But in exploding towns like Yorkville, where the population has doubled since 2000 and developer dollars comprise about 10 percent of the city budget, officials are tightening their belts.

"We will take things out of the budget because we really can't afford it," said Mark Pries, finance director for Oswego, which collected only \$2.3 million of a projected \$2.7 million in developer contributions this year. The town is cutting spending on squad cars, computers and public works equipment following predictions that builder fees will fall by another \$400,000 next year.

Meanwhile, Sugar Grove scrapped plans to add a police sergeant, a city engineer, a planner and four support staffers this year after collecting only \$2 million in builder funds. Officials had expected \$5 million before developers delayed plans for 230 of a projected 380 homes.

Still, Oswego and Sugar Grove are finding adjustment to a slower housing market is largely a matter of canceling plans to serve residents who never showed. In other towns, officials had earmarked builder dollars for projects to serve existing residents.

Short on developer funds, those communities are looking for other ways to push forward, including a plan by Plano officials to hike taxes.

Police and public works buildings are "bursting at the seams,"

in Yorkville, according to Mayor Valerie Burd. But with developers stalling on many of the town's subdivisions, aldermen have largely stopped discussing plans for new facilities until they can secure an alternate funding source.

Next door, Montgomery officials will rely more heavily on utility tax revenue to make debt payments on a new village hall and police station next year, when they expect a drop in housing starts.

### Hiking city taxes

Plano residents could start paying extra on their utility bills for a combined police station and community center officials had expected to finance with developer dollars.

The town already had purchased and cleared an entire block across the street from city hall last year when more than a third of construction projects stalled and builders held back more than \$200,000 in fees.

Aldermen began discussing imposing the utility tax about a month ago and have not decided how much residents might be asked to pay.

"We have to stay within our means," Mayor Bill Roberts said.

To Schaumburg-based analyst Tracy Cross, the renovations and village halls planned over the past few years are remnants of "the high life" that towns enjoyed "when growth was good" and developers were willing to pay high premiums to build in the Fox Valley.

"A year ago, I think a lot of the municipalities got greedy or got aggressive with their fees," said Michels, the Sugar Grove village president. His town recently lowered some of its required developer contributions to encourage one sluggish builder. And with drawings of the planned police station gathering dust on a shelf at village hall, officials are no longer entertaining plans for a new public works facility.

Klüber, Skahan and Associates, a Batavia-based architectural firm that has left its fingerprints on a school or town hall in almost every Fox Valley community, expects to see fewer new proposals in 2008, along with scaled-back growth rate projections.

Over the past few years, "it's been hurry, hurry, hurry," said the firm's marketing director, Matt MacRitchie.

"We were running to the finish line to find out we don't know where the finish line is."