

Apartment developer wants Oswego School District 308 to lower impact fee

By Jenette Sturges, jsturges@stmedianetwork.com, Last Modified: Sep 11, 2013 02:28AM

The owners and developers of a sizeable proposed apartment complex in Oswego are seeking a tax break.

On Monday, the Oswego District 308 School Board heard from staff a proposal to accept reduced fees, totalling nearly \$8.7 million, for a new apartment complex planned for far western Oswego. The owner of the property, roughly 68 acres at the corner of Orchard Road and the railway north of Mill Road in Oswego, plans to develop the land with a 906-unit apartment complex, dubbed the Orchard Road Apartments, and hand over part of the land for a proposed Metra station.

Under current Village of Oswego fee structures, the developer would be required to pay the school district approximately \$2.6 million in fees in order to build up the land with the proposed complex. But, according to a Sept. 3 letter from the property owner's lawyer, the owner, Don Morris, had an "unofficial agreement" whereby the all of the fees owed to the school district would be waived.

In the letter, the owner acknowledges that it would be "difficult, or impossible, for the School Board to waive 100 percent of the usual fees," and proposes a total fee of \$906,000, or \$1,000 per unit, less than half of what would typically be owed to the school district. Student estimates vary. The estimated number of children who might attend Oswego School District 308 schools at any one time is a matter of some debate. According to estimates from the State of Illinois, roughly 121 students would be enrolled. According to the developer, the number is much lower — just 60 children in the 906-unit apartment complex — based on its similar developments.

Either way, according to the developer, in the years after Orchard Road Apartments is built out, the school district would stand to gain between \$2 million and \$2.5 million annually even after the expense of educating additional children. "This is a project that more than pays for itself," said attorney Richard Guerard, representing Morris. "It more than pays its own way." Attorneys for the land owner also argued that, regardless of any breaks given on one-time impact fees, the \$2 million annually in tax receipts would make the apartment complex a "major economic engine of annual revenue for the District."

But school board members remained tepid about the development, the number of students it would bring in, and any potential tax breaks Monday night. "No one really knows how that's going to build out," said Board Member Greg O'Neil. "You can estimate all you want, but nobody really knows... To say there's only ever going to be 121 students, it could be ten times that."

"I agree (the estimate) is pretty low," said Board Member Danielle Paul. "You're going to have apartments with multiple bedrooms, the bedrooms are going to be occupied by somebody."

Guerard said that the additional residents would bring both increased tax revenue and increased economic activity in the school district. "It should be a win-win for everyone," Guerard said. "And I don't know why it isn't, fiscally at least."

Any negotiations between the School District and the developer would be discussed in closed sessions of the Oswego School Board.