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Sugar Grove seeks break on school impact fees

By SUSAN SARKAUSKAS

As the Kaneland school district negotiates a new impact fee deal with towns that feed it, one town is asking for some relief.

Sugar Grove officials have asked the district to eliminate the transition fee, and cut impact fees overall by \$5,000 per residential unit.

Transition fees were instituted "when a lot of growth was coming in and Kaneland could not get referendums on the ballot fast enough" to raise taxes for new schools and more teachers, Sugar Grove Village President Sean Michels said.

There is a lag time of as much as 18 months between when a home is built and when governments receive property taxes from it. Schools complained that meant existing taxpayers were unfairly burdened with the noncapital cost of educating the additional students who moved in.

So transition fees were added to cover those costs, on top of impact fees. The impact fees, sometimes called land-cash donations, are meant to support long-term capital costs, such as building a school.

Michels said the school district should be able to absorb what few new students are being added without having to hire new staff.

Why is Sugar Grove asking for a break? Thank the crash of the housing market. "It is costing developers more to develop in Sugar Grove. We would like to see some development going on in Sugar Grove," Michels said. In the early 2000s the town was issuing more than 400 building permits a year; that dropped to nearly nothing by 2007.

The village cut its own impact fees, for things like police, water and sewer service, to entice developers to complete projects.

Michels said unfinished developments cost the village money, as it provides services such as snowplowing of streets without getting tax revenue. Several developers of large housing projects went bankrupt or into foreclosure.

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Kaneland Superintendent Jeff Schuler said the district, however, is interested in keeping both transition and impact fees. "Both are important as we consider the cost of growth," he said. "Growth should pay a portion of its way."

The fees are determined by the type of housing, the number of bedrooms, and the property's appraised value.

The current agreement expires Dec. 31. The district and seven municipalities covered by it have been working on a new agreement for several months.

Besides Sugar Grove, the district draws students from Montgomery, Virgil, Cortland, Maple Park, Elburn and Kaneville.

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