

VILLAGE OF SUGAR GROVE BOARD REPORT

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: SCOTT KOEPPPEL, VILLAGE ADMINISTRATOR
SUBJECT: ANNEXATION OF THE GROVE PROPERTY
AGENDA: AUGUST 20, 2024, REGULAR BOARD MEETING
DATE: AUGUST 9, 2024

ISSUE

Should the Village approve an Annexation Agreement with Sugar Grove LLC?

DISCUSSION

The Illinois Legislature has granted municipal authorities the exclusive power to define their community boundaries and control the pace of development. Expanding corporate boundaries is accomplished through annexation, following the procedures established by state law. Annexation agreements bind both the municipality and the developer for an extended period, typically lasting up to 20 years. These agreements usually cover key topics such as zoning, utilities, impact fees, and the conditions under which municipal ordinances may be modified during the agreement's term.

Sugar Grove LLC submitted a petition for annexation and an annexation agreement to the Village of Sugar Grove on July 12, 2024. As the sole owner of the entire property, which is contiguous and within the Village's Future Land Use Map, the petition was duly considered. A public hearing for the annexation was scheduled for August 20 and was properly noticed to the public. The hearing is set to take place at Waubensee Community College to ensure that all interested parties could address the Village Board. A two-thirds (2/3) vote of the corporate authorities holding office is required to approve an annexation agreement.

The property will be classified as a Planned Development District (PDD) and subdivided into five areas, which are essential to the land use planning of the site. The PDD is included as an exhibit in the annexation agreement. Additionally, a public hearing was held by the Plan Commission and Zoning Board of Appeals to discuss the PDD and subdivision. The areas are identified as follows:

Area 1 – Residential.

Area 2 – Residential

Area 3 - Commercial, Retail, Office, Civic and Residential

Area 4 – Business, Industrial, Data Center, and Commercial Uses

Area 5 – Commercial, Retail, Office, Civic and Residential

Staff used existing policy as a guide when working with the developer on the Annexation Agreement. The Village of Sugar Grove has previously invested over \$500,000 in the

full interchange at Rt. 47 and I-88. Annexing the property aligns with the Village's previously approved policy and will help secure a return on that investment.

In 2023, the Village Board adopted a new comprehensive plan. Comprehensive plans are long-range plans used to direct the growth, policies, and the overall development of a place. The land uses in the Annexation Agreement and PDD align with the future land use plan. The Comprehensive Plan includes three vision statements.

The first vision statement, *Connection: Building and Connecting What's Here*, is reflected in the Annexation Agreement, which includes the extension of Denny Road, multi-use paths, walking trails, and new residential growth adjacent to an established neighborhood. This new development will be connected to commercial opportunities in the town center located in Area 3.

The second vision statement, *Growth: Growth at a Neighborhood Scale*, is supported by the Annexation Agreement's provisions for walkable residential growth and a greater mix of home types. The commercial and industrial areas will offer services, jobs, recreation, and community gathering spaces.

The third vision statement, *Nature: A Village Defined by Nature*, is embodied in the Annexation Agreement through the inclusion of ten acres of parks, a 30-acre retention pond with a walking path, and a 70-acre natural area featuring an improved path and creek crossing. Currently, the entire property is privately owned and inaccessible to residents.

Although the entire Annexation Agreement is significant, the staff wanted to highlight specific sections and exhibits.

Section 3.2 Conflicts if there is a conflict between the Regulating Plan, PDD, or the Annexation Agreement and a Village ordinance, the provisions of the Regulating Plan, PDD, or Annexation Agreement shall take precedence. However, if these documents are silent on an issue, the Village ordinances will apply.

Section 4.2.2 Open Space requires an overall open space requirement of 30% for the entire property. The Village has an open space requirement of 40%. This requirement is higher than most neighboring municipalities. Due to the size and amount of time the entire development will require a property wide requirement was requested by the developer and is a practical option.

Section 4.2.7 Building Height Variations gives the Village Administrator authority to allow a 10% variance in building height. The intent of the section is to allow staff to review minor height variances and provide a streamlined approval process.

Section 4.2.10 Area 3 Density Limit and Density Adjustment defines the density limit for Area 3. Staff recommends a lower initial density limit to promote commercial development in Area 3. If commercial development does not occur in the first eight years, then additional townhomes may be built. The additional townhomes may only be built in Area 3b (not the town center).

Section 4.4 Interpretation Staff recommends the section changed to the following, “4.4 Interpretation.

The parties acknowledge that every type of potential use cannot be addressed in this Agreement. Should a proposed use not be specifically described or assigned a classification under the Planned Development District Ordinance, or the Regulating Plan

the Owner may request that it be designated a “Similar Use.” The Village Administrator may allow a land use to be considered as a permitted or special use which, though not identified by name in the Planned Development District or the Regulating Plan of permitted or special uses, is deemed to be similar in nature, and clearly compatible with the listed uses. The official shall consult the Standard Industrial Classification (SIC) Code to determine similarity or compatibility. However, such unlisted uses shall not be approved until the application for such use has been reviewed by the Village Attorney. Once a Similar Use is determined, the proposed use shall comply with any conditions and review procedures that may apply to that use. If the Village Administrator determines that the proposed use is not a Similar Use, Owner may appeal the decision as a major change according to the Village’s Zoning Ordinance.”

Section 5.1 Plan Submissions - this section allows the developer to skip submitting a Preliminary Plan. The section also states that the Village will approve any plan that is consistent with the Regulating Plan (PDD). If the Developer chooses to skip the Preliminary Plan they must have a meeting the Community Development and Public Works staff to review the plan prior to submitting a final plan. The Village Board still retains the right to approve final plats/plans, but the Planning Commission will not review or offer a recommendation on the plat/plan.

Section 5.2 Phasing and Timing of Plans the developer requested the right to submit plans in multiple phases and without restriction to allow for flexibility. The developer wanted the ability to react to market forces and develop the property over several years.

Section VI Subdivision Restrictions Staff recommends removing “the following If at any time there is a conflict between the Village Subdivision Ordinance and the criteria shown on **Exhibit F**, the less restrictive shall control. The only exception to this section are changes made to the Village’s subdivision ordinance because of a change in county, state, or federal laws and/or regulations.”

Section 7.1 Water the developer is responsible for a 750,000-gallon water tank, watermains, and Booster Pump Station and Pressure Reducing Valve. The tank is vital for the distribution of water north of I-88. Typically, the Village requires that all utilities are extended to the property line. The developer requested that they provide the Village an easement to the property line in lieu of extending the utility. Staff recommends adding “at no cost to the Village”.

Section 7.2 Sewer the same exception for extending sewer to the property line was requested.

Section 7.4 Water Treatment Plant Site the Village does not intend to build a water well and treatment plant in the short term but wanted the developer to dedicate land (2 acres) at the northern end of the Village to allow for a future well and treatment site.

Section 10.4 Roadway Improvements and Exhibit H Village Engineering staff were involved in the design of the roadway improvement standards.

Section 11.2 Building and Other Permits Village staff agreed to the timelines for permit and engineering approvals.

Section 11.3.2 Installation of Utilities the Village requested that overhead powerlines at Denny Rd and IL-47 and Seavy Rd and IL-47 be buried.

Section 11.5.2 Park and Open Space Donations the developer will maintain and

program parks and open space for the first 5 years. Then the land will be dedicated to the Village, Park District, or HOA (in that order). Parks improvements shall be completed and established prior to deeding the land.

Section 11.5.3 Trails and Exhibit J outlines the trails that will be added as part of the development. The connectivity provided by the bike and walking trails are in line with the future vision of the comprehensive plan.

Section 12.4 Disconnection – the owner has the right to disconnect from the Village if a TIF is not established and a Redevelopment Agreement is not executed within 60 days. Additionally, the owner may disconnect from the Village until either the first certificate of occupancy is issued or any property north of I-88 is sold, should the Village fail to adopt the necessary development conditions due to legal or other challenges.

Section 12.6 Litigation – This section is narrow in its scope and the owner (not the Village) is responsible for all legal costs. *The Village agrees to cooperate with Owner in the defense of any lawsuits or claims brought by any person or persons in regard to the following matters: i) this Agreement and the Exhibits thereto; ii) the annexation of the Property, or any part thereof; iii) the zoning of the Property; iv) any Final Plans for the Property; v) any challenge to the TIF District or any provision of the RDA; vi) any alleged procedural defects related to any of the foregoing; and (v) any suit for condemnation for all or any portion of the Property (brought by any other governmental body). To the extent that Village's cooperation results in any third party expenses or costs to the Village, the Owner shall reimburse the Village for such costs.*

Section 12.6 Assignment – if the owner sells any of the land they can assign all rights and obligations from the agreement to the new owner.

Section 12.21 Improvements Required by the Village Outside of the Owner's Property – As part of the project Denny Road must be extended to Rt. 47. This section was included because part of the extended Denny Road will be outside of the owner's property.

Exhibit D The Planned Development District Regulating Plan – The PDD is an exhibit to the Annexation Agreement but will require separate approval.

Exhibit H Roadway Improvements – Both EEI and Village Staff reviewed and negotiated the items in this exhibit.

Exhibit I Prerequisites for Grading Approval – Staff is recommending similar requirements for other home builders seeking a grading permit.

Exhibit O Substantial Completion – in several instances substantial completion was used as a metric to approve the construction of a utility.

Exhibit P: Impact and Other Fees – The fee schedule is designed with three distinct time frames to accommodate future cost adjustments while maintaining administrative simplicity for staff. As the park district will acquire new parks through the project, land cash contributions were excluded from the fee schedule. However, both impact and land cash fees are included for schools. For commercial and industrial developments, only the Fire District is included in the impact fees, which are calculated based on the number of acres. The Village's road impact fee is excluded due to the presence of the TIF (Tax Increment Financing).

COST

The majority of the consulting costs were billed back to the developer. Significant staff time was dedicated to the creation and review of the Annexation Agreement.

RECOMMENDATION

That the Village Board discuss the Annexation Agreement.