

# Long Grove Public Hearing on Proposed TIF Plan for B1-A and BI- Downtown Area Improvements

*This Q&A will address questions related to the Public Hearing on January 15.*

## **Q. What can you tell me about the January 15 Public Hearing?**

**A.** The Village is holding public hearing on Tuesday January 15, at 8:00 p.m. at the Kildeer Countryside School, 3100 Old McHenry Road. The purpose of the public hearing is to provide information to the community and receive feedback regarding proposed TIF that is to provide potential improvements in the downtown and the adjacent area, also known as the B1 Zoning District and B1A including Rt. 83. The public hearing will be to provide information about TIF and to entertain public input and ideas regarding the TIF.

## **Q. What is tax increment financing?**

**A.** Tax increment financing (TIF) is a financing tool created by the Illinois Legislature in the late 1970s to help encourage development and redevelopment. Under TIF, property taxes currently generated by the properties continue to be paid to all taxing agencies. The tax revenue that results from the increased value of the new development, also called the "tax increment", goes to pay for public improvements within the TIF district including site costs such as acquisition, demolition, water, sewer, utilities, and street improvements.

## **Q. Why are these improvements needed?**

**A.** Residents and visitors to the downtown find walking on the existing uneven cobblestone sidewalks difficult, especially with strollers or wheelchairs. Existing downtown lighting limits evening uses and does not promote a sense of security. Unsightly overhead utility lines and poles conflict with the historic character of the downtown and complicate delivery of certain public services.

Also, residents have expressed a desire for more restaurants and neighborhood retail. A deep well would provide additional capacity to serve these and other types of businesses in this area.

The sales tax revenue attributed to the downtown area has been steadily declining since 1999, and providing improvements can help ensure the future viability of

the downtown area and provide necessary sales tax revenue for the village.

## **Q. What improvements are under consideration?**

**A.** The improvements under consideration are sidewalks, lighting, underground utilities, way signage, parking, village facilities, and a deep well and water distribution to serve existing and new businesses.

## **Q. How would the improvements impact me as a taxpayer?**

**A.** The TIF will not increase your taxes. Nor do TIFs reduce the taxes that school districts and other taxing bodies can receive under the "tax cap." Schools and other taxing districts, however, will have to defer use of any increased assessed valuation created from the improvements within the TIF. One could argue that, by not being able to tax this assessed valuation "increment," taxes increase, but even then the amounts are very modest. For example, because the impact on school district will be spread over the entire tax base of the district, the TIF will have less than a 1% impact on taxes, as that is the TIF's percentage of the overall tax base. The Village is committed to working with the school district and fire district to help reduce any potential impact on their operations.

## **Q. What are the goals of these improvements?**

**A.** The goals include:

- ✓ Improved pedestrian accessibility and safety.
- ✓ Reduced potential vehicle-pedestrian conflicts.
- ✓ Provide infrastructure to support existing and potential businesses.
- ✓ Provide improvements that can be maintained at reasonable cost.
- ✓ Coordination with Lake County on Old McHenry Road improvements.
- ✓ Benefit to the entire community because of the continued and increased viability of downtown. Ability to provide opportunity for neighborhood retail to better serve residents.
- ✓ Reversing the trend of declining sales tax and sales revenue downtown.
- ✓ Improved downtown shopping experience.
- ✓ Enhance the appearance of the historic downtown area.

**Q. How much would these improvements cost?**

**A.** Current estimates, if all the improvements are made, are between \$15 million to \$20 million depending on options selected. Currently, the Village is conducting studies to update the costs of improvements. Estimated costs as of this date are as follows:

Public Works & Utility Improvements	\$5.5 Million
Underground Utilities	\$1.5 Million
Bike/ Pedestrian Plan A	\$ .3 Million
Bike/Pedestrian Plan B	\$ .3 Million
Streetscape	\$3.2 Million
Roadway Improvements	\$6.0 Million
Roundabout Intersection	\$ .2 Million

**Q. Is this a backdoor attempt for the Village to gain the authority to condemn property?**

**A.** No. Since the Village was incorporated in 1956 it has never condemned property. There is no interest at this time in condemning residential property, and the Village cannot condemn properties of other taxing districts. In order to make certain public safety improvements in the downtown, however, the Village may need to acquire rights-of-way and easement areas.

**Q. Why did the Village choose TIF to pay for improvement costs?**

**A.** A study by Business District Inc. in October 2005 calculated that a combination of financing tools including TIF, SSA, General Funds, General Obligation Bonds, Non-Home Rule Sales Tax, Grants, Low interest Bank Loans, and a Special Service Assessment may be necessary to finance improvements.

**Q. Will the Village pledge our taxes to pay for TIF improvements?**

**A.** No. TIF revenues will be pledged for TIF projects. General Obligation Bonds will not be used for TIF projects.

**Q. Hasn't the Village considered downtown improvements before?**

**A.** Yes, downtown needs have been discussed many times. The most recent planning effort ended when officials decided the specific plan was too ambitious to pursue. The Village approved the Downtown Streetscape Plan in 1999 and for a number of reasons, including financing, the \$4-5 million project did not become reality. In 2005 the Village Board commissioned Business Districts, Inc. to review all possible financing alternatives and identified TIF as generating the necessary revenues to complete the Streetscape Plan. The issue is active again because the reasons for the improvements remain.. Most recently the Village contracted ESI Engineering to update the Streetscape Plans into a comprehensive Master Plan for the downtown (B1) and surrounding properties (B1-A).

**Q. What's the timetable for the decision-making process?**

**A.** The timetable for the decision-making process is as follows:

**Winter 2008**—Decision on whether to adopt a TIF

**Spring 2008** – Award bids and authorize work (if a decision is made to proceed).

**Spring 2008 to?** – Construction of improvements (if a decision is made to proceed).