



March 1, 2014

Dear Fellow Residents,

**Village President**

Angie Underwood, Chair  
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On behalf of the Board of Trustees, I am writing to make sure that you are aware of an important referendum on the upcoming March 18<sup>th</sup> ballot. As your elected officials, we are prohibited from advocating a position on the referendum, but we are responsible for educating and informing the residents of the facts. That is the purpose of this letter.

You will be asked to authorize a first-ever Village of Long Grove property tax. This issue is being brought to a referendum vote because the Village Board does not have the authority to impose a tax on the residents, only you have that power. Since the late 1970's the Village has identified a significant funding gap in the revenues needed for public road repairs. At this time, the annual funding gap stands at \$1.7 Million. The current Village Board has made it a priority to address this problem and has sought solutions through a series of Town Hall meetings. Our current funding sources are not sufficient to maintain the public roads, and until this situation is rectified, the condition of the roads will continue to deteriorate. If the referendum passes, an infrastructure property tax would be levied for a period of ten years to pay for repairs on thoroughfare roads only. This tax is mandated to be eliminated after 10 years, and any extension of this tax would require an entirely new referendum. The amount of infrastructure property tax paid by every resident would be based on equalized assessed value, with an average market value home of \$750,000 paying \$166 annually. This tax is restricted to being used for capital infrastructure. Further history, details, maps, and a Referendum Fact Sheet are available under the "Village Referendum" tab located on the left side of the Village's website [www.longgrove.net](http://www.longgrove.net).

In speaking to residents over the past several months, many questions have been asked such as:

**I have lived in Long Grove for over 40 years and never paid a local tax. Why should I pay one now?** We all agree that all Long Grove residents pay a lot in property taxes each year and would prefer that this amount not increase. Currently, the Village does not receive any of the property tax dollars that you pay. As our infrastructure is aging, public roads are deteriorating at a faster rate. It will be more cost effective to repair them now, than entirely replace them in a few more years. The Village has relied on income from building permits in the past, and this funding source is no longer sustainable as buildable lots become scarce. If approved, the proposed new tax would increase your tax bill by less than 1% (0.8%).

**Can't the Board just work harder on filling the empty stores in the downtown to bring in more sales tax?** In the heyday of popularity, our Historic Downtown brought in roughly \$200K annually in sales tax income to the Village. Our annual funding gap is \$1.7 Million. The Village continues to encourage appropriate new commercial development, and anticipates being able to eliminate the need for a property tax when the referendum expires after ten years. Sales tax income, while helpful, will not immediately solve this problem.

**Why am I just now hearing about this?** As early as the late 1970's, the Board recognized that the amount of public roads being maintained by Village funds was not going to be sustainable given our no property tax policy. They decided that all new roads going forward would be private, and this action coupled with the healthy building permit income of the next 30 years carried the Village forward. For the last 15 years, the funding gap has grown to the point that the current Board can no longer defer the situation. Four Town Hall meetings have been held to address the problem and educate the community.

**Many of the public roads in Long Grove are residential. How do I know that the tax revenue will not be spent on those roads?** The Board has passed a resolution identifying thoroughfare (main connectors) and non-thoroughfare (residential) roads in the Village. The resolution states the policy of the Board is to use funds from the referendum to repair public thoroughfare roads only. Steps are being taken to work with residents on the non-thoroughfare roads to put in place private funding mechanisms through Special Service Areas, similar to the way residents on private roads pay annual dues to cover the cost of their roads.

**If the referendum passes, how soon can the public thoroughfare roads be fixed?** With a tax income, the Village Board will not need to wait for the revenue to accumulate, and will have the option of issuing bonds so that the funds necessary to expedite projects will be available sooner, while costs are lower. Road repairs could be started as early as this Fall.

**How can you guarantee that the tax will be spent on roads, if the referendum only states "capital infrastructure?"** It is the intent of the Board to use these funds only for road repairs. The wording of the referendum question is based on Statute and various legal requirements. As noted above, if bonds are issued, these funds will be legally restricted to paving specific public thoroughfare roads.

Please cast your vote on March 18<sup>th</sup>. Do not rely on your neighbors or fellow residents in another part of town to decide this issue for you. If you have further questions, please reach out to the elected officials listed on the letterhead. Your actions will help determine the next step in the process for the Village Board, as we work together to ensure roads in Long Grove are well-kept, safe, and a source of pride for us all.

Sincerely,



Angie Underwood  
Village President