



March 24, 2016

Dear Downtown Long Grove Property Owners (property owners list),

Re: Extension Of Public Water Into Historical Downtown Long Grove.

Since the creation of the Downtown TIF in 2008, the Village of Long Grove has invested approximately \$4.5M to date in the Downtown TIF (General Fund and Open Space Bonds). Last year, the Village Board approved an engineering proposal (\$150K) for the design/engineering for the extension of public water (\$2.9M) and streetscape improvements (\$2M) at an estimated installation cost of roughly \$5.0M. If these improvements are ultimately approved, the total Village investment in the Downtown will be in excess of \$9.5M (\$4.5M + \$5.0M).

Last August, the Village offered to establish a Special Service Area (SSA) as a means to provide the property owners with the ability to finance the costs for extending public water into the downtown. The total estimated cost for this project was \$2.9M. In response to questions raised during the establishment process and the approaching deadlines, the Village Board terminated the process in November in order to provide everyone additional time.

When the SSA process was terminated, the Village decided to proceed with the design of the water system loop up to Archer Road in order to meet Village obligations to provide public water to Harbor Retirement Associates (HRA, the former Midwest Bank property) and the Archer Parking Lot Outlots. The cost for this project is estimated at \$1.8M. The engineering design for this project is nearly complete and it is expected to go out to bid by the end of March with bids awarded by the end of April.

The estimated cost of the system extended into the crossroads is \$1.1M. To help fund the cost of the water system, the Village approved connection fees at a rate of \$7,000 per Residential Equivalent (RE). Based upon the Village's connection fee (\$7,000 per Residential Equivalent (RE), the Village would pay \$1.8M (62%) of this water system and the Downtown Property Owners would pay \$835K (29%). IF all the downtown properties connect (including the Triangle properties, Archer Outlots), then the Village would recoup approximately 41% of the water system cost (\$1.25M of \$2.9M).

The Village Board believes that the extension of public water into the Historic Downtown and the streetscape improvements are important infrastructure improvements toward maintaining the existing businesses and growing/attracting new businesses to the Historic Downtown. In order to provide these improvements, the Village Board remains interested in partnering with the Downtown property owners to extend the public water from Archer Road to the full downtown.

The Village Board remains willing to consider proposing the establishment of a Special Service Area (SSA) in the Downtown as a mechanism to ensure the recapture of 29% of the of the water system cost while providing the opportunity for every downtown property owner to pay their fair share based upon usage (RE) as either: (1) a one-time connection fee or (2) financing the cost for connection over the life of the SSA. The attached "Proposed SSA For Public Water Downtown" includes the estimated costs for each individual property with the one-time connection fee payment ranging from \$7,000 (1 RE) to \$119,000 (17 RE) and the 30 year SSA annual fee ranging from \$426 (1 RE) to \$7,235.

The Village Board recognizes the importance of involving all stakeholders to be part of the discussion and is mailing this letter to all downtown property owners via certified mail, return receipt requested to be sure that all property owners are informed. Since ultimately the decision of whether or not to extend public water into the downtown is dependent upon the property owners determining that there is value in doing so, a draft petition form has been included for your consideration. **If the Village Board receives petitions from a minimum of 51% of the downtown property owners requesting a SSA to extend public water into the downtown, then the Village will move forward with the necessary steps to establish a SSA.** While the petitions do not bind the property owners to the SSA, having support from the majority of the property owners is necessary for the Village to establish the SSA.

Please visit the Village's website for further details, including the Q&A from last year. <http://www.longgrove.net/content/downtown-public-water-opportunity-materials>. If you have any questions, you are encouraged to contact Village Manager David Lothspeich at dlothspeich@longgrove.net. On behalf of the Village Board, thank you in advance for your consideration.

Sincerely,

Angie

Angela Underwood
Village President
Village of Long Grove
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