



March 27, 2018

Dear Downtown Long Grove Property Owners,

Since the creation of the Downtown TIF in 2008, the Village of Long Grove has invested and committed over \$5.2 M to date in the Downtown TIF (General Fund and Open Space Bonds). Most recently, the Village Board approved spending \$457K for the further extension of the Old McHenry Road public water to the northern limits of the downtown. In addition, the Village's Five Year Capital Improvements Plan calls for another potential \$4.3 M in Downtown improvements, including the further extension of public water down Robert Parker Coffin (RPC) Road (\$843K) and RPC streetscape improvements (\$2.1M). If these improvements are ultimately approved, the total Village investment in the Downtown will be in excess of \$9.5M (\$5.2M + \$4.3M).

The Village Board believes that the further extension of public water into the Historic Downtown and the streetscape improvements are important investments toward maintaining the existing businesses and growing/attracting new businesses to the Historic Downtown. The estimated cost of extending the public water into the Historic Downtown (both Old McHenry Road and Robert Parker Coffin Road) is \$1.23M. In order to have the watermain on Old McHenry Road installed before the County's reconstruction project, the Village approved the \$457K Old McHenry Road watermain extension project. Installation of this watermain began earlier this week and is expected to be completed by Memorial Day.

To offset a portion of the Village's investment in the water system serving the Historic Downtown, the Village approved connection fees at a rate of \$7,000 for a one inch (1") water meter and \$21,000 for a two inch (2") water meter. Based upon these connection fees, the Village would pay \$838K (68%) of this water system and the Downtown Property Owners would reimburse the Village through connection fees \$392K (32%). As part of these approvals, the Village Board increased the time to connect to the public water system from 90 days to 180 days and reduced the number of properties that are required to connect by reducing the buildings required to connect from 400' to 80'. **The Old McHenry Road watermain will be available for connection as early as June 4, 2018 and all Downtown Old McHenry Road commercial property owners are required to connect by November 5, 2018.**

Separately, the Village Board is proposing the establishment of a Special Service Area (SSA) for those properties along Old McHenry Road that are required to connect to the watermain as an additional mechanism for individual downtown property owners to finance their connection costs (30 years at 4.5%). The attached "Proposed SSA For Public Water Downtown" includes the estimated costs for each individual property with the one-time connection fee payment (highlighted in orange) ranging from \$7,000 (1" meter) to \$21,000 (2" meter) and SSA total annual fee (both the connection plus the private service line) ranging from \$430/yr. to \$3,039/yr. Each individual property owner has the option of paying these costs themselves or through participating in the SSA. If the decision is to participate in the SSA, property owners further have the option of participating in financing either the connection fee only or both the connection fee plus the service line costs through the SSA.

For property owners interested in financing the installation of the private service line through the SSA, the Village is proposing the inclusion of the estimated costs for a 1-1/2" service size (conservatively based upon the higher of the two estimates from the Village Engineer and the HDLGBA) with the individual amounts for each property (*highlighted in light green*). These service line costs are limited to the service line from the watermain b-box to 5' from the foundation of the building. The plumbing code requires that property owners hire a plumber to bring the service line into the building, connect to the water meter and make any other necessary interior changes. Property owners choosing to finance their service line through the SSA would present a paid receipt to the Village for reimbursement up to this amount, costs higher than estimated would be the responsibility of the property owner and costs less than estimated would be credited to the property owner as a prepayment of SSA taxes. The Village contractor for the watermain project (A Lamp) has indicated that they would provide quotes to interested property owners to install the service line. Those interested can contact A Lamp employee Anthony Lacullo at (847) 891-6000. The Village will be providing a list of contractors for the property owner's consideration but does not recommend or otherwise limit the potential contractors that can be used. As with any project, the Village encourages property owners to request quotes from multiple contractors in order to get the best job and pricing.

Property owners have the following payment options:

- (1) paying their connection fee upfront (still included in the SSA with zero annual tax levy);
- (2) financing their connection fee only through the SSA or
- (3) financing both the connection fee and service line through the SSA (*highlighted in yellow*).

If the Village Board receives petitions from a minimum of 51% of the downtown property owners and electors objecting to the establishment of the SSA, the SSA boundaries may be reduced to accommodate those that are interested or eliminated entirely if none are interested. Again, the Village is proposing the establishment of the SSA to provide another way for those property owners that do not want to pay the full cost up front or have other preferred financing methods. Regardless of whether or not the SSA moves forward, all buildings that are located within 80' of the Old McHenry Road watermain are required to connect by November 5, 2018. Refer to the enclosed map of the Historic Downtown which identifies all the buildings that meet this requirement (properties *bordered in red*)

Key Dates:

- **[April XX]**. Property owners and merchants SSA informational meeting & discussion.
- **June 4, 2018**. Completion of Old McHenry Road watermain, available for connection.
- **June 12, 2018** Village Board holds formal public hearing on the proposed SSA.
- **August 14, 2018**. Village Board consideration of an ordinance establishing the Water SSA.
- **November 5, 2018**. Deadline for connecting to public watermain, provides 90 days for connection after (if) the SSA is established. Connections can be made June 4, 2018, 180 days prior to the deadline.

The Village will be hosting an informational meeting at the Village Hall on **April [XX]** at **[XX:XX] pm**. Please visit the Village's website at www.longgroveil.gov for further details. If you have any questions, you are encouraged to contact Village Manager David Lothspeich at dlothspeich@longgrove.net.

Sincerely,

Bill Jacob

Village President

Village of Long Grove

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