

Item #2:

Proposed SSA For Public Water Into Downtown

From: David Lothspeich
Sent: Thursday, August 13, 2015 8:11 AM
To: Ryan Messner; 'Sharon Fine'
Cc: Angie Underwood; Lori Lyman; David Lothspeich; Sherry Shlagman
Subject: Invitation To The Upcoming August 25th Village Board Meeting Re: Downtown Water

Ryan and Sharon,

Re: Invitation To The Upcoming August 25th Board Meeting Re: Discussion Of Downtown Water SSA.

Good to see you Tuesday night at the meeting. As discussed during the meeting, the Village Board will be further discussing the concept of establishing a Special Service Area (SSA) for the extension of public water into the Historic Business District. The attached file includes the materials that Trustee Stan Borys referenced during the discussion last night. This file is also available through the Village's website at: <http://www.longgrove.net/sites/default/files/06D%20-%20Village%20Trustee%20Borys%20-%20Proposed%20SSA%20For%20Public%20Water%20Downtown.pdf>

In summary, the Village has invested the approximately \$4.5M to date in the Downtown TIF (General Fund and Open Space Bonds). The Village Board recently approved an engineering proposal (\$150K) for the design/engineering for the extension of public water (\$3M) 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 \$9.5M (\$4.5M + \$5.0M).

In terms of the public water system, the total cost of the system is estimated at \$3.0M. To help to fund the cost of the water system, the Village Board recently approved connection fees at a rate of \$7,000 per Residential Equivalent (RE). Based upon this connection fee rate, the Village would recoup up to 65% of the water system through these fees IF all the properties in the Downtown and adjoining residential properties (Three Lakes Subdivision and Fairfield Subdivision) connected to the system. Since there has not been any request by the residents, their ultimate connection is questionable. IF all the downtown properties connect (including the Triangle properties, Archer Outlots), then the Village would recoup approximately 41% of the water system cost (\$1,253,000 of \$3,000,000).

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 is suggesting a continued partnership with the Downtown property owners to help fund a portion of these improvements. The Village Board is considering proposing the establishment of a Special Service Area (SSA) in the Downtown as a mechanism to ensure the recapture of 41% 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 will be continuing the discussions of the proposed establishment of a SSA for the extension of public water into the Historic Downtown during their upcoming August 25, 2015 Village Board Meeting. The Village Board recognizes the importance of involving all stakeholders to participate in these discussion and encourages all interested to attend this meeting for an open discussion on the proposed infrastructure improvements and the possible creation of a SSA to fund a portion of the extension of the public water system into the Historic Downtown.

Please feel free to forward this email and attachments as invitation to the Historic Downtown Property Owners, Merchants and LGBCP Board Members to attend the August 25, 2015 Village Board Meeting at 7:00 PM. Thank you in advance and please let us know if you have any questions.

Sincerely,

Angie

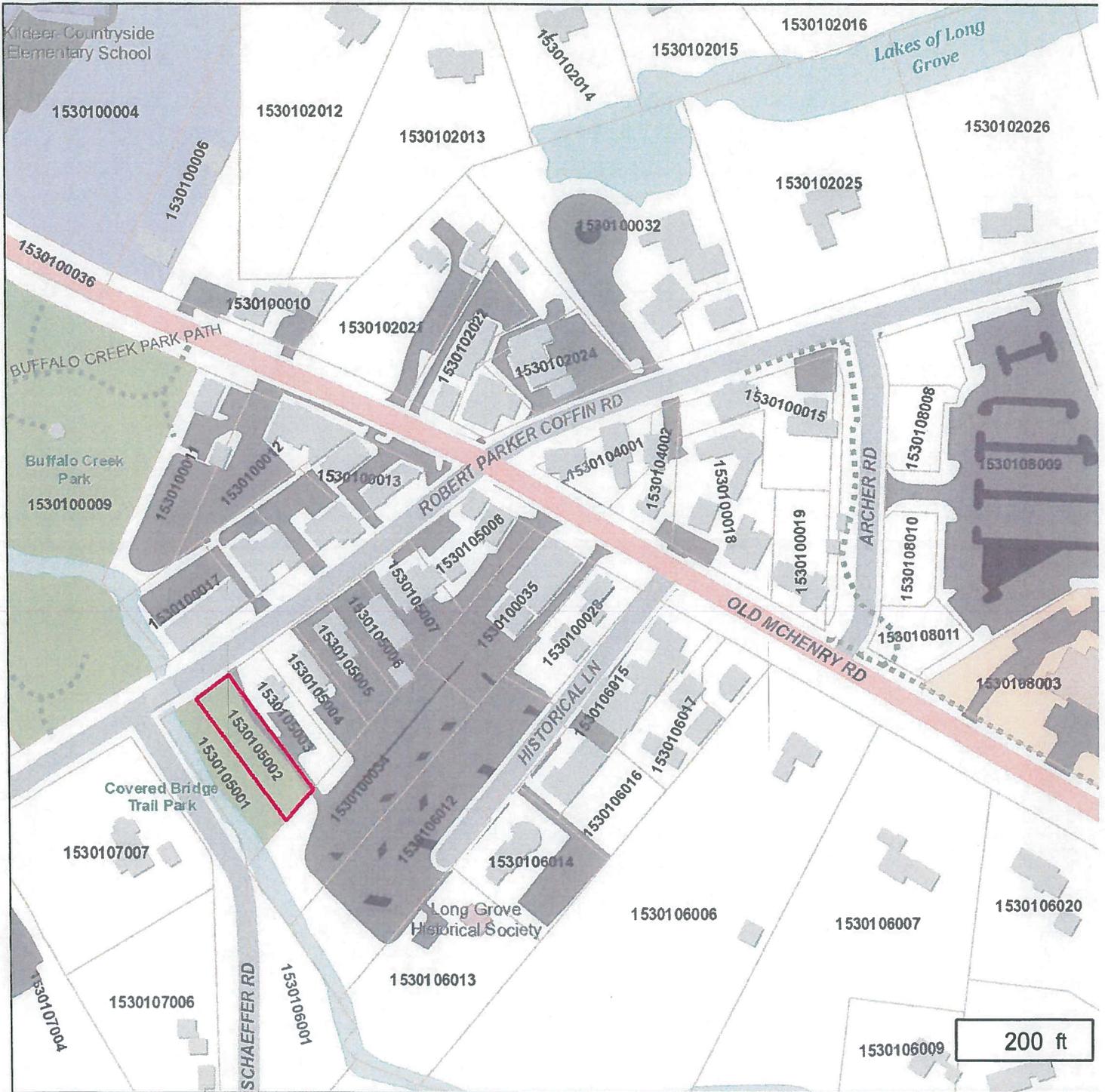
Connection Fee Per Residential Equivalent (RE) @ 4.5%

20 years = 531.48

30 years = 425.64

Address	PIN	Usage (RE)	Connection Fee (\$7,000 / RE)	Annual DT Water SSA Levy		2014 DT
				20 Years	30 Years	LGBCP Levy
144 Old McHenry Road	15-30-100-010	1	\$7,000	\$531	\$426	\$4,164
145 Old McHenry Road	15-30-100-011	2	\$14,000	\$1,063	\$851	\$1,495
135 Old McHenry Road	15-30-100-012	17	\$119,000	\$9,035	\$7,236	\$7,878
404 Robert Parker Coffin Road	15-30-100-013	1	\$7,000	\$531	\$426	\$4,803
201 Robert Parker Coffin Road	15-30-100-014	1	\$7,000	\$531	\$426	\$2,861
209 Robert Parker Coffin Road	15-30-100-014	1	\$7,000	\$531	\$426	\$2,861
275 Robert Parker Coffin Road	15-30-100-015	5	\$35,000	\$2,657	\$2,128	\$11,577
440 Robert Parker Coffin Road	15-30-100-017	2	\$14,000	\$1,063	\$851	\$4,790
5 Old McHenry Road	15-30-100-018	6	\$42,000	\$3,189	\$2,554	\$13,898
343 Old McHenry Road	15-30-100-019	6	\$42,000	\$3,189	\$2,554	\$4,995
318 Old McHenry Road	15-30-100-028	1	\$7,000	\$531	\$426	\$3,771
215 Robert Parker Coffin Road	15-30-100-032	11	\$77,000	\$5,846	\$4,682	\$11,426
221 Robert Parker Coffin Road	15-30-100-033	1	\$7,000	\$531	\$426	\$5,809
314 Old McHenry Road	15-30-100-035	17	\$119,000	\$9,035	\$7,236	\$4,702
130 Old McHenry Road	15-30-102-021	1	\$7,000	\$531	\$426	\$5,181
114 Old McHenry Road	15-30-102-022	3	\$21,000	\$1,594	\$1,277	\$11,149
209 Robert Parker Coffin Road	15-30-102-023	0	\$0	\$0	\$0	\$0
209 Robert Parker Coffin Road	15-30-102-024	1	\$7,000	\$531	\$426	\$5,719
430 Robert Parker Coffin Road	15-30-103-001	4	\$28,000	\$2,126	\$1,703	\$7,624
410 Robert Parker Coffin Road	15-30-103-002	5	\$35,000	\$2,657	\$2,128	\$4,059
303 Old McHenry Road	15-30-104-001	3	\$21,000	\$1,594	\$1,277	\$4,264
5 Old McHenry Road	15-30-104-002	2	\$14,000	\$1,063	\$851	\$4,841
0 Robert Parker Coffin Road	15-30-105-002	0	\$0	\$0	\$0	\$0
445 Robert Parker Coffin Road	15-30-105-003	1	\$7,000	\$531	\$426	\$3,357
437 Robert Parker Coffin Road	15-30-105-004	1	\$7,000	\$531	\$426	\$2,700
427 Robert Parker Coffin Road	15-30-105-005	1	\$7,000	\$531	\$426	\$8,273
421 Robert Parker Coffin Road	15-30-105-006	1	\$7,000	\$531	\$426	\$5,016
407 Robert Parker Coffin Road	15-30-105-007	2	\$14,000	\$1,063	\$851	\$3,866
405 Robert Parker Coffin Road	15-30-105-008	1	\$7,000	\$531	\$426	\$5,278
0 Old McHenry Road	15-30-106-014	1	\$7,000	\$531	\$426	\$1,620
340 Old McHenry Road	15-30-106-015	40	\$280,000	\$21,259	\$17,026	\$3,464
0 Old McHenry Road	15-30-106-016	1	\$7,000	\$531	\$426	\$0
0 Old McHenry Road	15-30-106-017	1	\$7,000	\$531	\$426	\$1,983
0 Old McHenry Road	15-30-106-018	1	\$7,000	\$531	\$426	\$1,576
1165 Old McHenry Road	15-30-108-003	3	\$21,000	\$1,594	\$1,277	
Archer Outlot #1	15-30-108-008	17	\$119,000	\$9,035	\$7,236	
Archer Outlot #2	15-30-108-010	17	\$119,000	\$9,035	\$7,236	
TOTALS			\$1,253,000	\$95,135	\$76,190	\$165,000

Lake County, Illinois

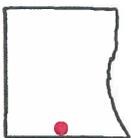


Lake County
 Department of Information Technology
 18 N County St
 Waukegan IL 60085
 (847) 377-2373

Map Printed on 8/4/2015
 Parcel 1530105002 is outlined.



- Tax Parcels
- Trails



Disclaimer:

The selected feature may not occur anywhere in the current map extent. A Registered Land Surveyor should be consulted to determine the precise location of property boundaries on the ground. This map does not constitute a regulatory determination and is not a base for engineering design. This map is intended to be viewed and printed in color.

Memorandum

Date: August 18, 2015
To: President Underwood and Members of the Board of Trustees
Village Manager David Lothspeich
From: Betsy L. Gates
Robert T. Pickrell
Re: Special Service Area Establishment Procedures

This memorandum relates to the Village Board's ongoing consideration of a new phase of capital improvements to enhance the Village's downtown ("**2015 Capital Improvement Plan**"), including the possible extension of the Village's public water system. The Board has discussed several options for financing the 2015 Capital Improvement Plan, including the establishment of one or more special services areas ("**SSA**") pursuant to 35 ILCS 200/27-5 *et seq.* ("**SSA Law**"). This memorandum discusses the procedural requirements and timeline for consideration and establishment of an SSA.

A. Overview

The following is an overview of the timeline and steps required to establish an SSA. Each step is discussed in greater detail in Section B, below.

1. Adopt proposing ordinance setting the date for a public hearing.
2. Publish notice at least once in a newspaper of general circulation within the Village a minimum of 15 days prior to the public hearing.
3. Mail notice by U.S. mail to all taxpayers within the proposed SSA a minimum of 10 days prior to the public hearing.
4. Conduct a public hearing not more than 60 days after the date the proposing ordinance was adopted.
5. 60-day objection period—If a petition is filed with the Village objecting to the SSA and signed by at least 51% of the owners of record and 51% of the electors residing in the proposed SSA, then the SSA shall not be established.
6. Enact an establishing ordinance creating the SSA after the expiration of the 60-day objection period.
7. File and record the establishing ordinance within 60 days of its approval.

B. SSA Establishment Process

1. Proposing Ordinance¹. The Village Board may adopt an ordinance proposing the creation of an SSA ("**Proposing Ordinance**"). 35 ILCS 200/27-30. An SSA can be proposed for the financing of any "special services," which are those services pertaining to the government and affairs of the Village that are provided within a contiguous area in addition to the services generally provided throughout the Village. 35 ILCS 200/27-5.

The Proposing Ordinance should set the date for a public hearing on the proposed SSA (which must be not more than 60 days after the Proposing Ordinance is adopted) and include the following additional information:

- a. Findings that the proposed SSA would provide special services for the benefit of the proposed area and that such area is contiguous as required by the SSA Law,
- b. The boundaries of the proposed SSA by legal description and street location;
- c. The permanent tax index number for each parcel within the proposed SSA;
- d. A description of the proposed special services to be provided and a statement of whether the services are for new construction, maintenance, or other purposes;
- e. The proposed amount of the tax levy for the initial year of the SSA;
- f. The maximum rate of taxes to be extended within the SSA in any year; and
- g. The maximum number of years that taxes will be levied if a maximum number of years is to be established.

35 ILCS 200/27-25, 200/27-30. If the Village intends to issue bonds secured by the SSA revenues, then the Proposing Ordinance should also set forth:

- a. A statement indicating who will be responsible for maintaining the special services after the life of the bonds (if not the Village);
- b. The maximum amount of bonds to be issued;
- c. The maximum period of time over which the bonds will be retired; and
- d. The maximum interest rate the bonds will bear.

35 ILCS 200/27-45.

2. Notice. The Village must provide notice of the public hearing ("**Notice**") by publication and mailing. The Notice must be: (a) published at least once 15 days prior to the public hearing in a newspaper of general circulation within the Village; and (b) mailed by U.S.

¹ An SSA proposal can also be initiated by the submission of an application by an owner of record within the proposed SSA. In the event of a proposal initiated by an owner, an application must be submitted to the Village President that includes: the name of the applicant, the special services desired to be provided, the proposed SSA boundaries, the estimated amount of funding required, and the stated need and local support for the proposed SSA. The Village Board may accept or reject the application. 35 ILCS 200/27-20.

mail to the person in whose name the general real estate taxes for the last preceding year were paid for each parcel in the SSA (or the person last listed on the tax roll, if the prior year's taxes were not paid) at least 10 days prior to the hearing. 35 ILCS 200/27-30.

The Notice must contain the date, time, and place of the public hearing; all of the information set forth in Section 1, above; and a statement that all interested persons, including all persons owning taxable real property located within the SSA, will be given an opportunity to be heard at the hearing and an opportunity to file objections. 35 ILCS 200/27-25.

3. Hearing. Within 60 days after the adoption of the Proposing Ordinance, the Village must conduct a public hearing on the proposed SSA, tax levy, and bond issuance (if applicable). At the public hearing, interested persons may file written objections and be heard orally. The hearing may be continued to a date certain by motion set forth in the minutes of the hearing. 35 ILCS 200/27-35, 200/27-45. At the conclusion of the public hearing, the hearing should be finally adjourned by motion set forth in the minutes.

4. Objection Period. If a petition objecting to the creation of the SSA and signed by at least 51% of the electors residing within the SSA and 51% of the owners of record of property within the SSA is filed with the Village Clerk within 60 days after the final adjournment of the public hearing, then the SSA shall not be created. Such a petition may also object specifically to the levy of taxes and/or the issuance of bonds as proposed by the Village, in which case the Village shall not levy such tax or issue such bonds, as applicable. 35 ILCS 200/27-55. In the event a proper and successful objection petition is filed, the Village shall not re-propose the same SSA as to any of the objectors for at least two years. *Id.*

5. Establishing Ordinance. After the 60-day objection period concludes, if no objection petition meeting the requirements described above is filed, then the Village may enact an ordinance establishing the SSA ("**Establishing Ordinance**"). The Establishing Ordinance must include a legal description of the area, the permanent tax index numbers of all parcels in the SSA, an accurate map of the SSA, a copy of the public hearing notice, and a description of the special services to be provided. 35 ILCS 200/27-40. The Establishing Ordinance should also set forth the same information outlined in Section 1, above, with respect to taxes and bonds, as well as findings that the Village followed the required proposal, notice, and hearing procedures; no proper and successful objection petition was filed; and the SSA meets the requirements of the SSA Law.

6. Recordation and Filing. The Establishing Ordinance must be recorded with the County Recorder of Deeds within 60 days after its adoption (*id.*) and filed with the county clerk (35 ILCS 200/27-75). In addition, the Village must file: (a) a certified copy of each ordinance levying taxes in the SSA on or before the last Tuesday of December in each year; and (b) a certified copy of any ordinance authorizing the issuance of bonds and providing for a property tax levy in the SSA by December 31 of the year of the first levy. *Id.*

MEMORANDUM

625 Forest Edge Drive, Vernon Hills, IL 60061
TEL 847.478.9700 ■ FAX 847.478.9701

www.gha-engineers.com

To: David Lothspeich
Village Manager

Fr: Michael Shrake, P.E.
Village Engineer

Geoffrey Perry, P.E.
Assistant Village Engineer

Date: June 23, 2015

Re: Watermain Connection Fee Analysis
Downtown Watermain Loop along Robert Parker Coffin Road and Old McHenry Road
Village of Long Grove

As requested, we reviewed the proposed watermain loop along Robert Parker Coffin Road and Old McHenry Road. We have reviewed potential construction costs, historic connection fees and benefitted properties to analyze potential connection fees for system users. For purposes of our analysis, the "proposed watermain loop" also includes the extension on Robert Parker Coffin Road to the covered bridge, the extension along Old McHenry Road to the northerly limits of the historic downtown and the connection on Archer Road. Below is a summary of our analysis:

Benefitted Properties:

The "Benefitted Properties" for the proposed watermain loop along Robert Parker Coffin Road and Old McHenry Road are as follows:

Area	Anticipated Usage (Residential Equivalents, RE)
Downtown Business District	180
Parcels Along IL Route 83 (West Side)	68
SE Downtown / Triangle Property	30
Total	278

* Includes 10,000 gal/day (40 RE) for potential Finch Beer development

** Residential Properties Not Included

Watermain Improvements Costs:

The costs included for the watermain are as follows:

Description	Cost
Watermain Distribution System plus Pump and Generator Improvements	\$2,120,000
Lake Michigan Water (Connection to Northwest Water Commission)	\$700,000
Emergency Interconnect to Buffalo Grove System	\$150,000
Total	\$2,970,000

Connection Fee Analysis:

Connection Fee per Residential Equivalent (R.E.) of \$7,000

Description	Project Cost	Total Connection Fees @ \$7,000 / RE	Percentage of Project Costs Recaptured
Water Distribution System plus Pump and Generator Impvs., Lake Michigan Water and Emergency Interconnect	\$2,970,000	\$1,946,000	65.5%

* Fees do not include sewer tap-on fees

Additional Notes

All project costs and anticipated usage are per the DRAFT "Downtown Water System, Preliminary Analysis & Findings," prepared by Gewalt Hamilton Associates, Inc., dated April 27, 2015.

This analysis does not include watermain extension into any of the existing, adjacent subdivisions. If these residential properties wish to become users of the Village water system at a later time, their connection fees will include the project costs to install the trunk line in their subdivision in addition to a connection fee.

If you have any questions or would like to discuss these items in further detail, please let me know.

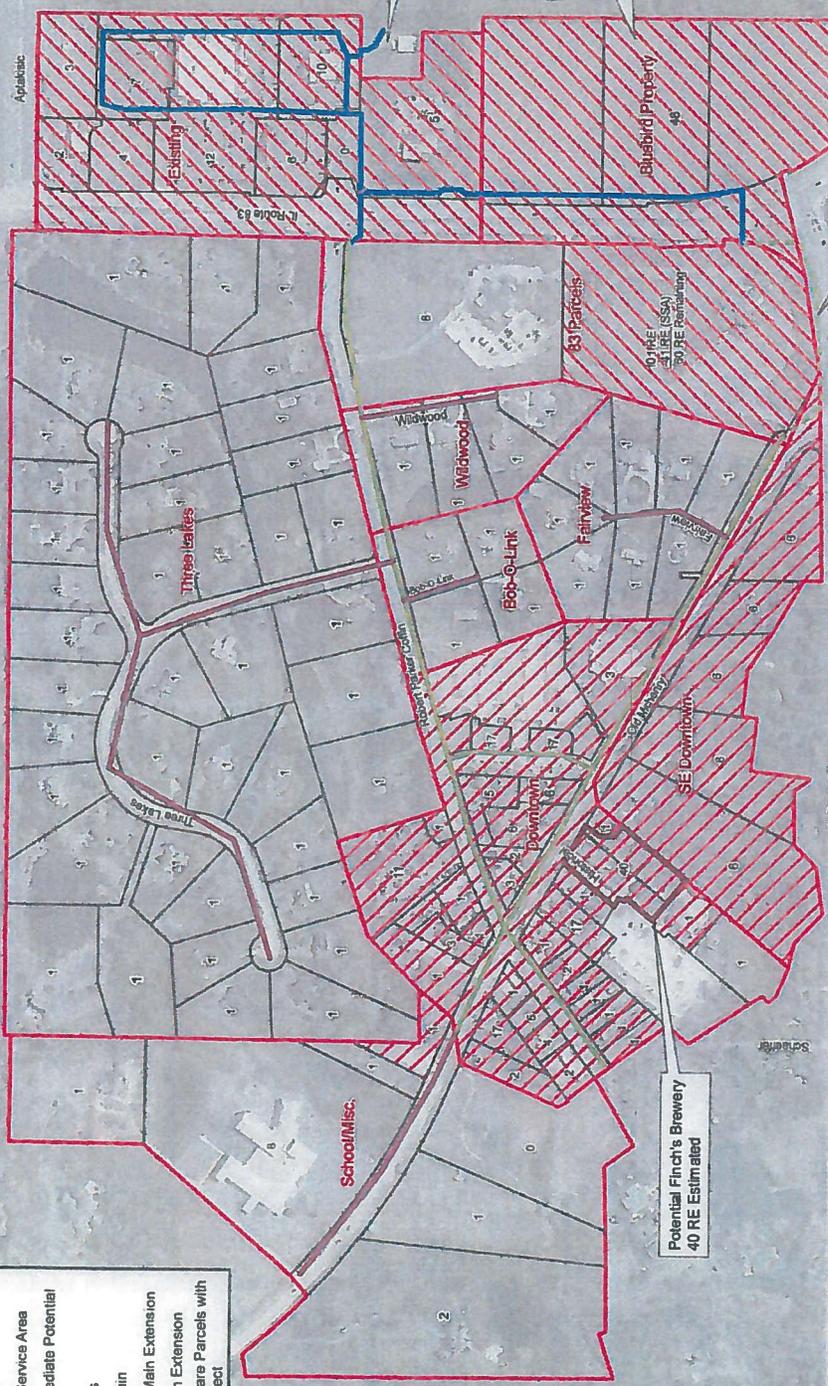
DRAFT

Summary Table / Cost per Parcel

Address	PIN	Usage (RE)	Connection Fee (\$7,000 / RE)
<i>Downtown Business District</i>			
275 Robert Parker Coffin Road	15-30-100-015	5	\$35,000.00
303 Old McHenry Road	15-30-104-001	3	\$21,000.00
5 Old McHenry Road	15-30-104-002	2	\$14,000.00
5 Old McHenry Road	15-30-100-018	6	\$42,000.00
343 Old McHenry Road	15-30-100-019	6	\$42,000.00
1165 Old McHenry Road	15-30-108-003	3	\$21,000.00
Archer Outlot #1	15-30-108-008	17	\$119,000.00
Archer Outlot #2	15-30-108-010	17	\$119,000.00
221 Robert Parker Coffin Road	15-30-100-033	1	\$7,000.00
215 Robert Parker Coffin Road	15-30-100-032	11	\$77,000.00
209 Robert Parker Coffin Road	15-30-100-014	1	\$7,000.00
201 Robert Parker Coffin Road	15-30-100-014	1	\$7,000.00
114 Old McHenry Road	15-30-102-022	3	\$21,000.00
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437 Robert Parker Coffin Road	15-30-105-004	1	\$7,000.00
427 Robert Parker Coffin Road	15-30-105-005	1	\$7,000.00
421 Robert Parker Coffin Road	15-30-105-006	1	\$7,000.00
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405 Robert Parker Coffin Road	15-30-105-008	1	\$7,000.00
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318 Old McHenry Road	15-30-100-028	1	\$7,000.00
340 Old McHenry Road	15-30-106-015	40	\$280,000.00
0 Old McHenry Road	15-30-106-018	1	\$7,000.00
0 Old McHenry Road	15-30-106-014	1	\$7,000.00
144 Old McHenry Road	15-30-100-010	1	\$7,000.00
<i>Parcels along Route 83 (West Side)</i>			
4160 Illinois Route 83	15-30-205-023	8	\$56,000.00
1190 Old McHenry Road	15-30-205-019	60	\$420,000.00
<i>Southeast Downtown / Triangle Property</i>			
1150 Old McHenry Road	15-30-106-006	6	\$42,000.00
1160 Old McHenry Road	15-30-106-007	6	\$42,000.00
1164 Old McHenry Road	15-30-106-020	6	\$42,000.00
1170 Old McHenry Road	15-30-204-002	6	\$42,000.00
1180 Old McHenry Road	15-30-200-033	6	\$42,000.00

Legend

- Water Service Area
- Existing Special Service Area
- Parcels with Immediate Potential to Connect
- Parcel Boundaries
- Existing Water Main
- Proposed Water Main Extension
- Future Water Main Extension
- *All Non-Hatched Areas are Parcels with Future Potential to Connect



1 inch = 360 Feet

CHA CONSULTANTS ASSOCIATES, INC.
www.chaconsultants.com

Water Service Areas
Lorey Grove, IL
06/23/2016

Village of Long Grove
 Projected Summary of TIF Calculations Using Current Interest Rate (4%) on General Fund & Open Spaces Fund Advances
 Actual 2008-2014 and Projected for Years 2015-2031

0%

Year	Year	New Development		Property Tax (increment)	Total Sources	Total Uses	Harbor Chase		Resources		Advance Outstanding Subject to Interest
		(EAV)					Only Development Fund Balance	(Deficit)	Available to Reduce	Advances	
2008	1			-	-	177,678	(177,678)				
2009	2			-	-	1,385,838	(1,563,516)				
2010	3			21,913	21,913	1,729,411	(3,271,014)				
2011	4			65,370	5,124,322	2,639,974	(786,666)				
2012	5			60,419	293,936	1,265,174	(1,757,904)				
2013	6			175,312	431,351	683,103	(2,009,656)				
2014	7			208,157	513,042	1,855,189	(3,361,803)				5,023,307
2015	8			214,402	506,765	659,057	(3,514,095)	(152,292)			5,175,599
2016	9			214,402	515,536	696,899	(3,695,458)	(181,363)			5,356,962
2017	10			814,402	1,124,570	662,903	(3,233,791)	461,667			4,895,295
2018	11			814,402	1,133,875	645,437	(2,745,353)	488,438			4,406,857
2019	12			814,402	1,143,459	636,149	(2,238,043)	507,310			3,899,547
2020	13			814,402	1,153,331	629,607	(1,714,319)	523,724			3,375,823
2021	14			814,402	1,163,499	620,533	(1,171,353)	542,966			2,832,857
2022	15			814,402	1,173,972	613,814	(611,195)	560,158			2,272,699
2023	16			814,402	1,184,759	599,158	(25,594)	585,601			-
2024	17			814,402	1,195,870	519,125	651,150	676,745			-
2025	18			814,402	1,207,314	537,750	1,320,714	669,564			-
2026	19			814,402	1,219,101	558,375	1,981,440	660,726			-
2027	20			814,402	1,231,242	560,625	2,652,057	670,617			-
2028	21			814,402	1,243,747	565,625	3,330,180	678,122			-
2029	22			814,402	1,256,628	583,000	4,003,807	673,628			-
2030	23			814,402	1,269,894	616,625	4,657,077	653,269			-
2031	24			814,402	1,283,559	20,000	5,920,636	1,263,559			-
Totals				13,176,000	25,391,686	19,471,050	5,920,636				

Assumptions and notes:
 **Property Tax Revenue= Assume 3% increase each year after 2015
 **Sales Tax Revenue = Assume 3% increase each year after 2014
 **Administrative Expenditures = Assume \$20,000 each year after 2014
 **Capital Expenditures = Completed as of 2014.
 **No additional interest or arrearages on advances from Open Spaces or General Fund after 2014.
 **Assumes no additional rebates or developer incentives will be paid.

Village of Long Grove
 Projected Summary of TIF Calculations Using Current Interest Rate (4%) on General Fund & Open Spaces Fund Advances
 Actual 2008-2014 and Projected for Years 2015-2031

0%

Year	Year	New Development (EAV)	Property Tax (increment)	Total Sources	Total Uses	No New Development Fund Balance (Deficit)	Resources Available to Reduce Advances	Advance Outstanding Subject to Interest	
Actual	2008		-	-	177,678	(177,678)			
	2009		-	-	1,385,838	(1,563,516)			
	2010		21,913	21,913	1,729,411	(3,271,014)			
	2011		65,370	5,124,322	2,639,974	(786,666)			
	2012		60,419	293,936	1,265,174	(1,757,904)			
	2013		175,312	431,351	683,103	(2,009,656)			
	2014		208,157	513,042	1,865,189	(3,361,803)		5,023,307	
Forecast	2015	214,402	214,402	506,765	659,057	(3,514,095)	(152,292)	5,175,599	
	2016	214,402	214,402	515,536	696,899	(3,695,458)	(181,363)	5,356,962	
	2017	214,402	214,402	524,570	662,903	(3,833,791)	(138,333)	5,495,295	
	2018	214,402	214,402	533,875	669,437	(3,969,353)	(135,562)	5,630,857	
	2019	214,402	214,402	543,459	685,109	(4,111,003)	(141,650)	5,772,507	
	2020	214,402	214,402	553,331	704,525	(4,262,197)	(151,194)	5,923,701	
	2021	214,402	214,402	563,499	722,448	(4,421,146)	(158,949)	6,082,650	
	2022	214,402	214,402	573,972	743,806	(4,590,981)	(169,834)	6,252,485	
	2023	214,402	214,402	584,759	758,349	(4,764,571)	(173,590)	-	
	2024	214,402	214,402	595,870	519,125	(4,687,826)	76,745	-	
	2025	214,402	214,402	607,314	537,750	(4,618,263)	69,564	-	
	2026	214,402	214,402	619,101	558,375	(4,557,536)	60,726	-	
	2027	214,402	214,402	631,242	560,625	(4,486,919)	70,617	-	
	2028	214,402	214,402	643,747	565,625	(4,408,797)	78,122	-	
	2029	214,402	214,402	656,628	583,000	(4,335,169)	73,628	-	
	2030	214,402	214,402	669,894	616,625	(4,281,900)	53,269	-	
	2031	214,402	214,402	683,559	20,000	(3,618,341)	663,559	-	
	Totals		4,176,000	16,391,686	20,010,027	(3,618,341)			

Assumptions and notes:

- **Property Tax Revenue= Assume 3% increase each year after 2015
- **Sales Tax Revenue = Assume 3% increase each year after 2014
- **Administrative Expenditures = Assume \$20,000 each year after 2014
- **Capital Expenditures = Completed as of 2014.
- **No additional interest or arrearages on advances from Open Spaces or General Fund after 2014.
- **Assumes no additional rebates or developer incentives will be paid.



SPEER FINANCIAL, INC.

PUBLIC FINANCE CONSULTANTS SINCE 1954

60 Years of Service

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VILLAGE OF LONG GROVE TIF Related Capital Improvements Funding

The Village has the need for downtown capital improvement funding with repayment partially tied to new development. It is expected that TIF revenues as well as SSA revenues will fund the debt repayment.

As a non-home rule government, the Village has several types of debt it can issue pledging its credit. As previously discussed, the likely debt instrument to be used, offering the greatest flexibility, is known as debt certificates. These do not have a levy, instead being a general promise to pay by the Village. Another type of debt instrument is a special service area (SSA) bond. These are restricted to defined areas that are benefitting from improvements with the property tax paid solely from the included parcels. Due to the limited area of the downtown, the bonds are of low credit worthiness and therefore more expensive than debt certificates, if at all marketable. Security for a SSA bond is limited to the tax levies on the properties. The size and assessed equalized values for the area are believed to be relatively low, compared to the water capital needed. The vacancy level of the properties is also a concern. Issuing a debt certificate to be paid, at least in part, by SSA levies would have good market access and a low interest rate.

Estimated need is as follows:

Water System	\$3,200,000
Bridge Repair	800,000
Streetscape	<u>1,000,000</u>
Subtotal	\$5,000,000
Cost of Issuance	<u>100,000</u>
Total	\$5,100,000

Attached as Exhibit A is a debt schedule for \$5,100,000 compared to the projected TIF revenues that assume one new project but no inflationary growth in taxes. Note that this understates the revenues as it ignores any SSA levies, which have yet to be determined.

The issuance process for debt certificates is as follows. Once the financial need is quantified, an offering document for the debt will be prepared, describing the Village as to finances, government, debt, socioeconomics and census data. A bond rating will be undertaken, probably including a driving tour. The offering document will be sent out to financial institutions for bids, to be received the morning of a Board meeting. That evening the Board will vote on a debt ordinance detailing all terms of the debt. The receipt of funds will occur several weeks later. A reasonable period for this entire process is 90 days. SSA related debt requires 60-90 days additional to create the SSA.

Debt Schedule

- A. \$5,100,000 for initial phase

KWM/pls
6-3-15

VILLAGE OF LONG GROVE, ILLINOIS

\$5,100,000 Series 2017 Debt Certificates

Assorted Projects

Back Weighted--Assumes One New Development

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2017	-	-	180,354.17	180,354.17
12/01/2018	-	-	196,750.00	196,750.00
12/01/2019	100,000.00	3.000%	196,750.00	296,750.00
12/01/2020	150,000.00	3.000%	193,750.00	343,750.00
12/01/2021	200,000.00	3.000%	189,250.00	389,250.00
12/01/2022	250,000.00	3.500%	183,250.00	433,250.00
12/01/2023	300,000.00	3.500%	174,500.00	474,500.00
12/01/2024	400,000.00	4.000%	164,000.00	564,000.00
12/01/2025	400,000.00	4.000%	148,000.00	548,000.00
12/01/2026	450,000.00	4.000%	132,000.00	582,000.00
12/01/2027	450,000.00	4.000%	114,000.00	564,000.00
12/01/2028	500,000.00	4.000%	96,000.00	596,000.00
12/01/2029	500,000.00	4.000%	76,000.00	576,000.00
12/01/2030	500,000.00	4.000%	56,000.00	556,000.00
12/01/2031	900,000.00	4.000%	36,000.00	936,000.00
Total	\$5,100,000.00	-	\$2,136,604.17	\$7,236,604.17

Yield Statistics

Bond Year Dollars	\$54,325.00
Average Life	10.652 Years
Average Coupon	3.9330035%
Net Interest Cost (NIC)	3.9330035%
True Interest Cost (TIC)	3.9215464%
Bond Yield for Arbitrage Purposes	3.9215464%
All Inclusive Cost (AIC)	3.9215464%

IRS Form 8038

Net Interest Cost	3.9330035%
Weighted Average Maturity	10.652 Years

VILLAGE OF LONG GROVE, ILLINOIS

\$5,100,000 Series 2017 Debt Certificates

Assorted Projects

Back Weighted--Assumes One New Development

Coverage Ratio

Date	Total Revenues	Total D/S	Coverage
12/01/2017	461,000.00	180,354.17	2.5560817x
12/01/2018	488,000.00	196,750.00	2.4803050x
12/01/2019	507,000.00	296,750.00	1.7085088x
12/01/2020	523,000.00	343,750.00	1.5214545x
12/01/2021	542,000.00	389,250.00	1.3924213x
12/01/2022	560,000.00	433,250.00	1.2925563x
12/01/2023	585,000.00	474,500.00	1.2328767x
12/01/2024	676,000.00	564,000.00	1.1985816x
12/01/2025	669,000.00	548,000.00	1.2208029x
12/01/2026	660,000.00	582,000.00	1.1340206x
12/01/2027	670,000.00	564,000.00	1.1879433x
12/01/2028	678,000.00	596,000.00	1.1375839x
12/01/2029	673,000.00	576,000.00	1.1684028x
12/01/2030	653,000.00	556,000.00	1.1744604x
12/01/2031	1,263,000.00	936,000.00	1.3493590x
Total	\$9,608,000.00	\$7,236,604.17	-

