



*March 23, 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 the 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 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 to 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 at [www.longgrove.net](http://www.longgrove.net) for further details, including the Q&A from last year. If you have any questions, you are encouraged to contact Village Manager David Lothspeich at [dlothspeich@longgrove.net](mailto:dlothspeich@longgrove.net). On behalf of the Village Board, thank you in advance for your consideration.*

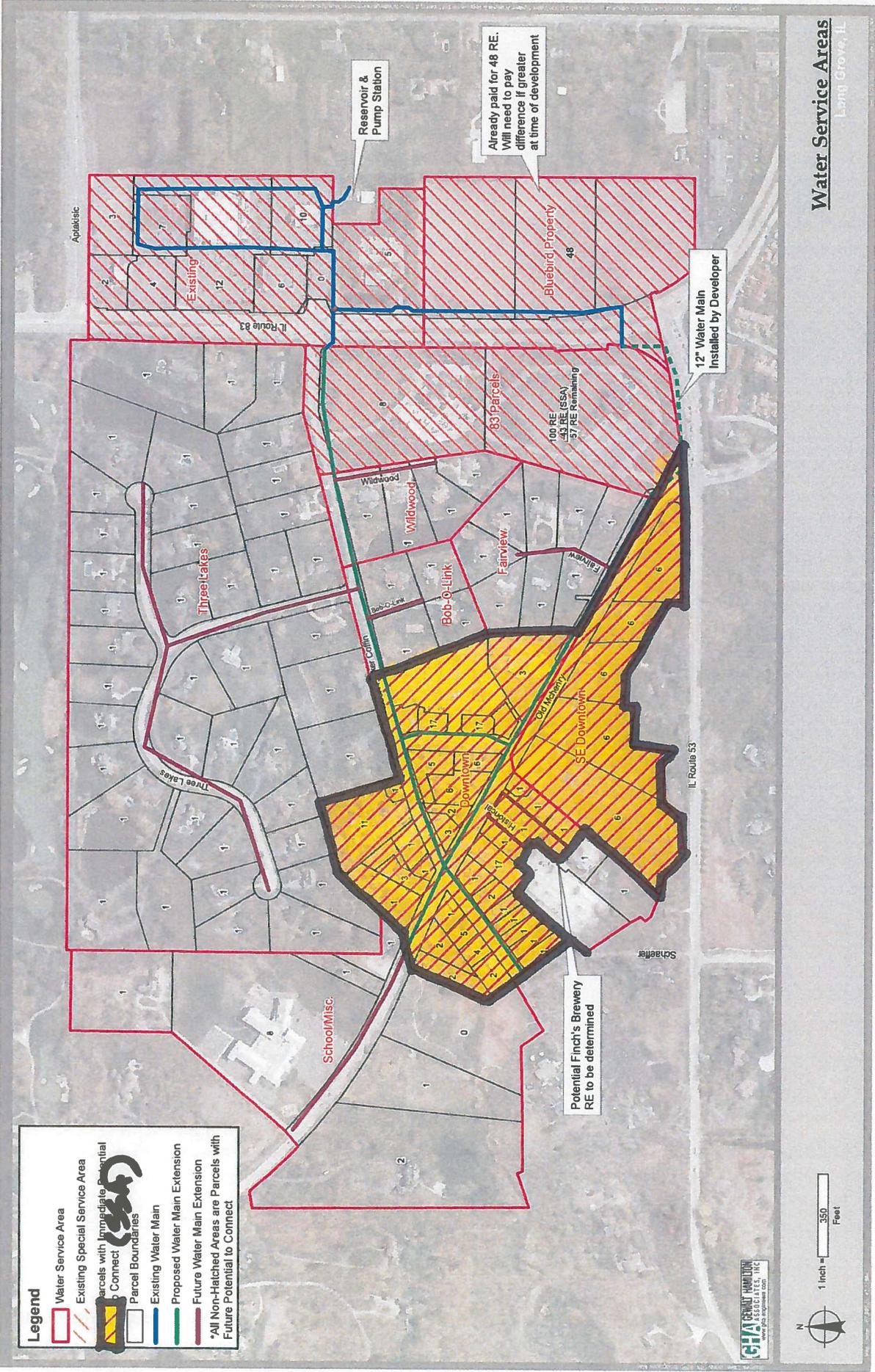
*Sincerely,*

*Angie*

Angie Underwood  
Village President  
Village of Long Grove  
847-634-9440

**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



**Water Service Areas**  
Long Grove, IL



**GHA**  
GREAT HAWK  
ASSOCIATES, INC.  
www.gha-engineers.com

**WATER SYSTEM CONTRIBUTIONS SUMMARY**

<b>DOWNTOWN SSA</b>	<b>RE's</b>	<b>Total Connection Fees/Contributions</b>	<b>Percentage Of Project Costs</b>
Historic Downtown Properties	119.26	\$834,820	28.8%
Triangle Properties	5	35,000	1.2%
Archer Outlots	0	800,000	27.6%
Harbor Chase	0	250,000	8.6%
Village of Long Grove		982,180	33.8%
<b>TOTAL PROJECT COST</b>	<b>124</b>	<b>\$2,902,000</b>	<b>100.0%</b>

Summary Table / Cost per Parcel

\$7,000

Per RE

Connection Fee Per Residential Equivalent (RE) @ 4.5%  
30 years = \$425.64

HISTORIC DOWNTOWN PROPERTIES						
Address	PIN	Owner	Business Name	Usage (RE)	Total Fee	Annual Water SSA
144 Old McHenry Road	15-30-100-010	John Sayles	Hotel Shoppes	1.16	\$8,120	\$494
146 Old McHenry Road	15-30-100-010	John Sayles	Hotel Shoppes	0	\$0	\$0
143 Old McHenry Road	15-30-100-011	John Sayles	Hair Stylist of Long Grove	1	\$7,000	\$426
145 Old McHenry Road	15-30-100-011	John Sayles	Weichert Realty	1	\$7,000	\$426
135 Old McHenry Road	15-30-100-012	Village Tavern	Village Tavern	17	\$119,000	\$7,236
404 Robert Parker Coffin Road	15-30-100-013	Upton Properties	In Motion Dance / Long Green, Inc.	1	\$7,000	\$426
111 Old McHenry Road	15-30-100-013	Upton Properties	Gallery Next Door	1	\$7,000	\$426
201-207 Robert Parker Coffin Road	15-30-100-014	Paul van Anrooy	Karen Gritis & Michael Demar / Sal's	1	\$7,000	\$426
275 Robert Parker Coffin Road	15-30-100-015	No Sewer Bill	SWC RPC & Archer / LGI Properties	0	\$0	\$0
236 Robert Parker Coffin Road	15-30-100-015	The Olive Tap	The Olive Tap	2	\$14,000	\$851
248 Robert Parker Coffin Road	15-30-100-015	The Artistic Gardner	The Artistic Gardner	0	\$0	\$0
250 Robert Parker Coffin Road	15-30-100-015	US National Bank Associates	On 275 Robert Parker Coffin Road	1	\$7,000	\$426
440 Robert Parker Coffin Road	15-30-100-017	Upton Properties	Stevens Building	0	\$0	\$0
432 Robert Parker Coffin Road	15-30-100-017	Upton Properties	Amers Gallery - On 440 RPC Road	2	\$14,000	\$851
5 Old McHenry Road	15-30-100-018	LGI Properties	Lucy & Ethel's, Nifty 50's	0	\$0	\$0
224 - 230 Old McHenry Road	15-30-100-018	Apple Haus Building	Apple Haus Building	8	\$56,000	\$3,405
317 Old McHenry Road	15-30-100-018	US National Bank Associates	Old Dakota Expressions	1	\$7,000	\$426
319 Old McHenry Road	15-30-100-018	GCP Long Grove LLC		1	\$7,000	\$426
323 Old McHenry Road	15-30-100-018	GCP Long Grove LLC		0	\$0	\$0
325 Old McHenry Road	15-30-100-018	GCP Long Grove LLC	Mangel Building	0	\$0	\$0
343 Old McHenry Road	15-30-100-019	Enzo & Luzia's Restaurant	Enzo & Luzia's Restaurant	9	\$63,000	\$3,831
318 Old McHenry Road	15-30-100-028	New Midwest Capital LLC	Beans & Leaves	1	\$7,000	\$426
320 Old McHenry Road	15-30-100-028	New Midwest Capital LLC	Popcom Shoppe & Coffee Shoppe	0	\$0	\$0
330 Old McHenry Road	15-30-100-028	New Midwest Capital LLC	Chatterbox	5	\$35,000	\$2,128
215 Robert Parker Coffin Road	15-30-100-032	New Midwest Capital, LLC	Mill Pond/Broken Earth Winery	5	\$35,000	\$2,128
235 Robert Parker Coffin Road	15-30-100-032	New Midwest Capital LLC	Long Grove Café	7	\$49,000	\$2,979
221 Robert Parker Coffin Road	15-30-100-033	New Midwest Capital, LLC	Mill Pond / Galena Canning Company	1	\$7,000	\$426
217 Robert Parker Coffin Road	15-30-100-033	New Midwest Capital, LLC	Galena	0	\$0	\$0
314 Old McHenry Road	15-30-100-035	PGF, LLC	Season's Restaurant	1	\$7,000	\$426
130 Old McHenry Road	15-30-102-021	Towner Properties	UnWined	1	\$7,000	\$426
132 Old McHenry Road	15-30-102-021	Towner Properties	Rachels	1	\$7,000	\$426
114 Old McHenry Road	15-30-102-022	Kyong Mo & Cho Sook Kim	2 Fancy Gals	2	\$14,000	\$851
128 Old McHenry Road	15-30-102-022	Kyong Mo & Cho Sook Kim	Soap and Candel	0	\$0	\$0
209 Robert Parker Coffin Road	15-30-102-023	Melvin Towner	Garage / Storage Lot	0	\$0	\$0
209 Robert Parker Coffin Road	15-30-102-024	Melvin Towner	Mel's Marathon	1	\$7,000	\$426
430 Robert Parker Coffin Road	15-30-103-001	Kopecy	Country House of Long Grove	1	\$7,000	\$426
420 Robert Parker Coffin Road	15-30-103-001	Kopecy	Bella Donna	1	\$7,000	\$426
424 Robert Parker Coffin Road	15-30-103-001	Kopecy	Ma & Pa's Candy Inc.	0	\$0	\$0
426 Robert Parker Coffin Road	15-30-103-001	Kopecy	Cleo Creations Inc.	0	\$0	\$0
410 Robert Parker Coffin Road	15-30-103-002	Thomas & Susan Coveny	Peppermint Stick (formerly) & ReMax	3	\$21,000	\$1,277
303 Old McHenry Road	15-30-104-001	LGI Properties	Farmhouse	1	\$7,000	\$426
210 Robert Parker Coffin Road	15-30-104-001	LGI Properties	The Peartree Shoppe	1	\$7,000	\$426
5 Old McHenry Road	15-30-104-002	LGI Properties	LGI Properties	0	\$0	\$0
216 Robert Parker Coffin Road	15-30-104-002	LGI Properties	Revillinoi Art School	0	\$0	\$0
220 Robert Parker Coffin Road	15-30-104-002	LGI Properties	Long Grove Confectionary	1	\$7,000	\$426
309 Old McHenry Road	15-30-104-002	US National Bank Associates	old prairie smoke	2	\$14,000	\$851
0 Long Grove Road	15-30-105-001	Long Grove Park District	Covered Bridge Trail	0	\$0	\$0
0 Long Grove Road	15-30-105-002	Long Grove Park District	Covered Bridge Trail	0	\$0	\$0
445 Robert Parker Coffin Road	15-30-105-003	Sparten Limited Partnership	Newman Cigars	1	\$7,000	\$426
437 Robert Parker Coffin Road	15-30-105-004	Ryan Messner	State Farm Insurance	1.1	\$7,700	\$468
427 Robert Parker Coffin Road	15-30-105-005	Pigeon Properties, LLC	Scout & Forge	1	\$7,000	\$426
421 Robert Parker Coffin Road	15-30-105-006	LGI Properties	Mangel Gifts	1	\$7,000	\$426
407 Robert Parker Coffin Road	15-30-105-007	Jeffrey Gray (Sexton)	Baby, Baby & More	2	\$14,000	\$851
405 Robert Parker Coffin Road	15-30-105-008	Upton Properties	Hot Dog, VC, Within	2	\$14,000	\$851
360 Historical Lane	15-30-106-013	Historical Society	Historical Society	0	\$0	\$0
360 Historical Lane	15-30-106-014	360 Historical Lane LLC	Studio Of Long Grove	8	\$56,000	\$3,405
340 Old McHenry Road	15-30-106-015	Spirit Lake Acquisition 1, LLC	Red Oaks (formerly)	2	\$14,000	\$851
0 Old McHenry Road	15-30-106-016	Spirit Lake Acquisition 1, LLC	Red Oaks (Rear Vacant Lot)	0	\$0	\$0
0 Old McHenry Road	15-30-106-017	Upton Properties	Long Grove Performing Arts Academy	2	\$14,000	\$851
344 Old McHenry Road	15-30-106-017	Upton Properties	Long Grove Performing Arts Academy	1	\$7,000	\$426
0 / 350 Old McHenry Road	15-30-106-018	Lawrence & Maggie Gutkin	Luggage	1	\$7,000	\$426
1165 Old McHenry Road	15-30-108-003	Long Grove Fire District	Long Grove Fire District	3	\$21,000	\$1,277
Unaccounted RE's based on Lake County Sewer Bills				12	\$84,000	\$5,108
				<b>119.26</b>	<b>\$834,820</b>	<b>\$50,762</b>

<b>TRIANGLE PROPERTIES</b>						
<b>Address</b>	<b>PIN</b>	<b>Owner</b>	<b>Business Name</b>	<b>Usage (RE)</b>	<b>Total Fee</b>	<b>Annual Water SSA</b>
1150 Old McHenry Road	15-30-106-006	Otrebal Properties, LLC (Albert)		1	\$7,000	\$426
1160 Old McHenry Road	15-30-106-007	John Ullrich		1	\$7,000	\$426
1164 Old McHenry Road	15-30-106-020	William J. Bryne		1	\$7,000	\$426
1170 Old McHenry Road	15-30-204-002	James Bryne		1	\$7,000	\$426
1180 Old McHenry Road	15-30-200-033	John Ullrich		1	\$7,000	\$426
				<b>5</b>	<b>35,000</b>	<b>2,128</b>

<b>ARCHER LOT PROPERTIES</b>						
<b>Address</b>	<b>PIN</b>	<b>Owner</b>	<b>Business Name</b>	<b>Usage (RE)</b>	<b>Total Fee</b>	<b>Annual Water SSA</b>
Archer Outlot #1	15-30-108-007	Village of Long Grove	Archer Lot Sale	0	\$0	\$0
Archer Outlot #2	15-30-108-008	Village of Long Grove	Archer Lot Sale	17	\$0	\$0
0 Archer Road	15-30-108-009	Village of Long Grove		0	\$0	\$0
Archer Outlot #3	15-30-108-010	Village of Long Grove	Archer Lot Sale	8	\$0	\$0
Archer Outlot #4	15-30-108-011	Village of Long Grove	Archer Lot Sale	17	\$0	\$0
0 Archer Road	15-30-110-001	Village of Long Grove		0	\$0	\$0
				<b>42</b>	<b>\$800,000</b>	<b>\$0</b>

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## 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 Ordinance<sup>1</sup>. 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.

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<sup>1</sup> 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.*