

Village of Fox River Grove Sales Tax Referendum – Frequently Asked Questions

What is the Village proposing?

The Village is proposing a $\frac{1}{4}$ % of 1% increase in the sales tax rate for our Village. Our rate currently is 7%, and with voters approval would rise to 7 $\frac{1}{4}$ %.

What percentage of the sales tax rate does the Village currently receive?

Right now the Village receives 1%. This would become 1 $\frac{1}{4}$ % with voter approval.

When is the referendum?

The Sales Tax Referendum Question will appear on the Tuesday, March, 20th, 2012 General Primary Election Ballot.

Why does the Village need more money?

Our downtown redevelopment plans will require the Village to upgrade infrastructure to accommodate new business. This will include water delivery systems, storm & sewer, sidewalks, street lighting, etc.

How much extra revenue would this generate for the Village?

Approximately \$100,000 per year. This would allow a bond to be issued to pay for the infrastructure.

How much will this cost the typical resident?

It adds \$.25 cents for every \$100 in purchases (not including food and drugs). If you typically spend \$100 a week in town, then this tax will cost you \$13 per year.

What is the Village's desired benefit?

Infrastructure improvements that will encourage redevelopment and create a modern, functional, vibrant downtown that will improve the image of our town, and promote property values.

Why a sales taxes increase?

An increase in sales tax lessens the burden on residents of Fox River Grove. A substantial amount of the additional tax revenue will be generated by non-residents, since it is estimated that visitors make up a significant percentage of the shoppers in the Village.

How does FRG's rate compare with our neighboring towns?

Lake Zurich - 7 $\frac{1}{2}$ %, Cary - 7%, Crystal Lake - 7 $\frac{3}{4}$ %,
Barrington (Cook County) – 8.5%, Barrington (Lake County) – 7%.

Our property taxes are high, where is all that money going?

Only 7-8% of your property tax bill goes to the Village – about \$400 on a \$250,000 home. The majority of your property taxes go to other taxing bodies (Schools, Fire Protection District, Library, etc.)

Why can't the Village use its existing revenue streams for this purpose?

The Village operates on a very tight budget, which hovers around breakeven normally. There just aren't enough discretionary funds to pay for these downtown infrastructure upgrades.

Why can't we reduce the cost of Village government to free up funds?

The Village has made significant cuts, a few examples: three positions have been left unfilled recently in the Finance, Water & Sewer, and the Building & Zoning Departments. Also, two retiring full time police positions have not been replaced. These savings have been substantially offset by higher health care and fuel costs.

Why now? Can't we wait until the economy improves?

The Village would like to be prepared when the economy turns around. Prospective developers will want to see that the Village has the financial wherewithal to move forward with downtown infrastructure projects.

What if development doesn't come to downtown? Where will the additional revenue go?

The revenue generated will be used for capital projects that will enhance the business zones.

What will happen if the referendum fails?

Redevelopment will take longer or not occur at all.

Sales Tax Referendum Information
Quick Facts for Fox River Grove Residents

- Add one quarter percent (0.25%) to the sales tax
- Raise approximately \$100,000 in new revenue
- Add \$.25 cents to each \$100 worth of eligible purchases
- Does not affect purchases of drugs and groceries
- Allow for investment in our infrastructure to benefit downtown development

