Village of Downers Grove Long Range Plan Resource Guide 2025

Introduction and Overview

This Resource Guide is designed to present an overview of essential information regarding the functioning of Village finances and how they relate to Village operations. This is meant to serve as a supplement to the Village's Long Range Planning (LRP) process which takes place over the course of several meetings over the summer and culminates in the adoption of the Priority Action Items and the Annual Budget, which is adopted towards the end of the year.

The Resource Guide contains information on the following topics

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First Letter from the EDC

Downers Grove Economic Development Corporation
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To: Mayor Barnett and Village Council, Village of Downers Grove
From: Bryan Gay, President & CEO, Downers Grove Economic Development Corporation
Date: May 9, 2025
Subject: Economic Update – Summary of DGEDC Board of Directors Discussion

The Downers Grove Economic Development Corporation (DGEDC) Board of Directors recently shared insights on how the current economic environment is affecting their respective industries, with implications extending into 2026. The following summarizes the discussion across key sectors.

In the **banking sector**, small businesses are experiencing increasing challenges, with many opting to rent rather than purchase property due to economic uncertainty. Lending activity has slowed significantly, with financial institutions pausing loans, especially for buyers looking to hold vacant land rather than develop it quickly. Loan delinquencies are rising, and the industry is grappling with issues tied to business succession, as many family-owned businesses are closing due to lack of interest from the next generation. Sponsorship contributions are down by 50%, and banks are assessing the impact of these trends on Community Reinvestment Act (CRA) obligations.

The **employment and workforce development landscape** is marked by a slowing hiring trend and rising unemployment. Companies are reducing recruiting efforts and hiring fewer people to replace those leaving; in some cases, five departures are filled by a single new hire. Job candidates remain open to career changes, while diversity, equity, and inclusion (DEI) efforts have declined alongside reductions in government funding. White-collar workers are experiencing prolonged unemployment, and layoffs are occurring both individually at senior levels and in small departmental groups. Businesses are relying more on fractional HR services and are hesitant to convert contractors to full-time staff. Bright spots remain in healthcare, education, nonprofit sectors, and restaurants, while innovation and emerging technologies like quantum computing are viewed as critical for future growth. Workforce development efforts, such as those by PowerForward DuPage, are focusing on preparing the next generation of skilled trades, with encouraging signs of renewed interest among high school students.

In **entertainment**, theater attendance remains below pre-pandemic levels despite a reinvestment in movie production and improvements to facilities. The focus has shifted toward enhancing the experience with interactive offerings and upgraded amenities like heated recliners. Non-movie events, such as a sold-out Chelsea Handler show, have proven valuable in boosting local economic activity.

The **brewing and restaurant industries** are experiencing supply chain adjustments as they seek new suppliers to mitigate tariff impacts. The industry is under pressure, with forecasts suggesting a higher likelihood of recession in 2025. For breweries like Goldfinger Brewing, the environment is particularly challenging, as the industry is contracting for the first time in over a decade. Consumer spending on beer and dining has declined, with reduced in-person consumption and lower replenishment rates. Price increases tied to tariffs on grain and aluminum are expected to be passed on to consumers.

Meanwhile, emerging products like hemp-derived beverages are gaining traction despite regulatory complexities. Weather and seasonal factors have also contributed to lower restaurant table turns, especially following holiday periods.

The **office and real estate markets** reflect a post-pandemic recalibration. Office construction has bottomed out, with demand shifting toward Class A properties and away from Class B and C spaces. In real estate development, interest rates and tariffs are contributing to a cautious outlook, but Downers Grove continues to attract strong interest, particularly in multi-family housing and downtown retail. Developers report that demand for first-floor retail space exceeds available inventory, positioning downtown as a highly desirable location compared to peer communities. Interest in Downers Grove has grown over the past few years, driven by its safety, transit access, and vibrant community. The local market is attracting both younger renters and downsizing empty nesters, contributing to a dynamic demographic shift.

In **retail sales**, consumer spending is down amid broader economic uncertainty, prompting retailers to focus on enhancing in-store experiences. Despite lower foot traffic, Steinhafels' Downers Grove location is outperforming other company stores with a 13% year-over-year increase, driven by higher average sales and increased use of in-store design services. However, customers are showing more price sensitivity and are opting for lower-tier products compared to previous years.

Finally, **youth sports** continue to be an area of opportunity. Families are increasingly prioritizing youth sports participation, even pulling students from school to attend tournaments. This trend represents a significant economic opportunity, suggesting strong demand for a public facility that could host tournaments on weekends and serve local teams during the week. Additionally, the school district has data available on family projections for the next decade, which could inform long-term planning.

Overall, the discussion underscored both the challenges posed by economic uncertainty and the unique strengths of Downers Grove's diverse economy. The Village's position as a desirable and resilient community offers a solid foundation for navigating future risks and capitalizing on emerging opportunities.

One key industry not represented during the conversation was our new car dealerships. The DGEDC will be hosting a new car dealership roundtable discussion at the end of May. We'll provide key takeaways from that discussion to Council after that meeting in June.

Please let me know if you would like further elaboration on any sector or recommendations based on these discussions.

Second Letter from the EDC

Downers Grove Economic Development Corporation
5159 Mochel Downers Grove, IL 60515
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To: Mayor Barnett and Village Council, Village of Downers Grove
From: Bryan Gay, President & CEO, Downers Grove Economic Development Corporation
Date: July 1, 2025
Subject: Economic Update – Summary of DGEDC Board of Directors Discussion

Recently, the Downers Grove Economic Development Corporation's Executive Committee invited local residential REALTOR Sabrina Glover to provide an informative update on the current conditions of the Downers Grove real estate market.

According to Glover, inventory remains extremely tight, which continues to drive competitive behavior among buyers. Despite this limited supply, buyer demand remains strong. The majority of active buyers fall into two primary categories: young couples and families moving from the City of Chicago to the suburbs in search of space and quality of life, and empty nesters looking to downsize while maintaining comfort and convenience.

Downers Grove is consistently seen as a desirable destination for these buyers, thanks to its location along the Metra line, vibrant downtown, manageable commute to Chicago, strong sense of community, and general livability. These attributes place the Village in direct competition with nearby Metra-line communities like Clarendon Hills, Elmhurst, Glen Ellyn, Lisle, Westmont, and Wheaton. Interest rates, currently in the mid 6% range, continue to add some volatility to the market, but buyers are adjusting to the reality that sub-3% rates are unlikely to return.

Home values remain strong, with a median price of $500,000 and an average price of $570,000. The median cost per square foot is approximately $266. Homes in good condition are often selling 5–10% over asking price and typically go under contract within 10 days. Multiple-offer situations are common, and buyers cannot expect to have offers accepted below list price. Properties near the downtown remain in especially high demand; many buyers are willing to wait or compromise on home features to be within walking distance of this area.

Glover also noted emerging trends in buyer preferences. Young families are seeking move-in ready, single-family homes that feature larger lots and ample outdoor space. Floor plans with open-concept layouts and designated areas for home offices, gyms, or guest/in-law suites—especially with first-floor ensuites—are in high demand. Empty nesters, on the other hand, are looking for high-end, maintenance-free condominiums in the $500,000–$700,000 range. While they prefer purchasing over renting, some are open to temporary rental if the right option isn't immediately available. Importantly, townhomes are often ruled out by this demographic due to concerns about stairs. A growing number of empty nesters are expressing a preference for single-story homes with some privacy, desiring to avoid direct neighbors on all four sides.

While there is some interest in new construction homes, affordability remains a barrier. New builds range from $400 to $600 per square foot, and lots alone are selling for $400,000 to $500,000. New build sales in Downers Grove average about $1.2 million for 3 bedrooms, 2 baths on an average sized lot for the community with most of the amenities that new families are looking for. In many cases, purchasing and renovating an existing home remains a more cost-effective choice. Additionally, many homeowners are hesitant to sell to buyers intending to demolish existing structures for redevelopment. Other buyer considerations include the presence of sidewalks—homes without sidewalks tend to sell more slowly—and family financial support, which continues to play a role in helping younger buyers secure down payments.

In summary, Downers Grove continues to perform strongly as a residential destination, driven by demand from both ends of the buyer spectrum. However, inventory constraints, shifting buyer expectations, and affordability challenges remain critical factors shaping the local market.

Third Letter from the EDC

Downers Grove Economic Development Corporation
5159 Mochel Downers Grove, IL 60515
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To: Mayor Barnett and Village Council, Village of Downers Grove
From: Bryan Gay, President & CEO, Downers Grove Economic Development Corporation
Date: July 11, 2025
Subject: Summary of Meeting with District 58 Superintendent Kevin Russell

At a recent Downers Grove Economic Development Corporation Executive Committee meeting, Superintendent Dr. Kevin Russell provided an overview of Downers Grove Grade School District 58, which currently serves approximately 5,000 students across 11 elementary schools and two middle schools. Enrollment is split between 3,000–3,100 elementary students and approximately 1,900 middle school students. The district continues to benefit from strong community stability, with 90% of students residing in Downers Grove and most families establishing residency prior to kindergarten and remaining through high school graduation.

Dr. Russell highlighted several key demographic shifts impacting the district. The percentage of low-income students has risen to 20%, up from 10–13% prior to the COVID-19 pandemic, although this remains well below the statewide average of 35–40%. Much of this increase is attributed to families relocating from surrounding communities such as Westmont and Woodridge. Additionally, the district serves a linguistically diverse student body, with 7% identified as English Learners and over 50 languages spoken in students' homes. Student mobility remains low at 4%, reinforcing the area's residential stability.

Several key areas for growth and development were discussed. New residential construction at 39th Street and Cumnor could add an estimated 13–15 elementary students and 10–15 middle school students, impacting Highland Elementary and Herrick Middle School. El Sierra Elementary's surrounding neighborhood remains largely composed of senior-owned homes with low turnover which could eventually add students as older residents down-size their homes. Other areas—including the 75th Street corridor in Woodridge and the Chestnut Court area in Darien—are exploring TIF district designations that may result in new housing and corresponding increases in student enrollment. Aging housing stock near Henry Puffer elementary school has the potential for future redevelopment of family friendly housing. Those homes sit on larger lots but a lack of Village services e.g. gutters, sewers and sidewalks could potentially limit the amount of redevelopment in that area.

Downtown Downers Grove apartments are also contributing minor enrollment shifts. These rental units are often occupied by families new to the district who are exploring the area before buying a home or temporarily renting while renovating or building a permanent residence. However, a lack of larger family-friendly rental units (3–4 bedrooms) limits the full enrollment impact from this sector.

District 58 currently has adequate capacity across its facilities, although capacity balancing may

necessitate assigning some students outside their neighborhood schools. Looking ahead, grade-level centers may be explored as a future strategy. Post-referendum improvements have strengthened the district's infrastructure, including the realignment of sixth grade to Herrick and O'Neill Middle Schools, the addition of dedicated music and art classrooms in all elementary schools, secure entry enhancements, HVAC modernization, and centralized preschool programs at Henry Puffer. Special education services continue through a partnership with SASED, with programs such as Vision and Hearing hosted at Kingsley Elementary. Enrollment is projected to grow modestly—by 1.3% through 2025 and 2.2% by 2035—according to census and birth rate trends, providing a reliable framework for long-term planning and development alignment.

Fourth Letter from the EDC

Downers Grove Economic Development Corporation
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To: Mayor Barnett and Village Council, Village of Downers Grove
From: Bryan Gay, President & CEO, Downers Grove Economic Development Corporation
Date: July 25, 2025
Subject: Automotive Dealership Roundtable Discussion

Recently, the Downers Grove Economic Development Corporation invited local automotive dealership owners and managers to a roundtable discussion to provide an informative update on the current conditions of the Downers Grove new and used car sales market.
The roundtable is designed to serve a valuable role in long-range planning, particularly since motor vehicle sales remain one of the top contributors to local sales-tax revenue. Mayor Barnett opened the discussion to emphasize the Village's dual role as both a regulator and a partner in the dealership's success, highlighting the importance of mutual understanding, especially as the auto industry undergoes rapid changes.

A primary concern discussed was the impact of tariffs on new car pricing and consumer behavior. Dealers reported estimated cost increases of $2,800 to $5,000 per vehicle due to pending tariffs. Anticipating price hikes, consumers flocked to dealerships in March and April, but sales sharply declined in May and June by as much as 30–40%. Manufacturers like VW and Mazda initially pulled back on incentives but have since reinstated them due to lagging demand. Ford countered with new incentives, including zero percent financing. Perillo Luxury Motors noted that overseas brands are delaying vehicle shipments due to tariff uncertainty, with the latest models arriving months late. Still, they believe the market will adjust over time, just as it did during COVID-19, when buyers accepted higher costs to secure vehicles.

Electric vehicles (EVs) were another major topic of discussion, as dealers expressed concern over weak consumer demand despite major investments by manufacturers and local retailers. Mike Mizwicki of Castle Motors and Brad Webb of Packey Webb Ford explained that EV infrastructure, such as high-speed chargers, is being underutilized by actual retail customers, with most of the use coming from Uber and Lyft drivers. Castle invested in four Level 3 chargers with little return on that investment. The group raised concerns about electric grid capacity, which participants said can only support about 10% of vehicles being electric before infrastructure becomes strained. Ford, VW, and others are reassessing EV strategies and pivoting toward hybrids, with Toyota cited as a brand better aligned with market demand.

To complement the roundtable discussion, the DGEDC shared recent data from S&P Global's Automotive Outlook (2025–2030). The outlook anticipates a 10% drop in vehicle unit sales in 2025, potentially resulting in a two-year dip in local auto-related sales tax revenue. For Downers Grove, this equates to a potential $380,000 shortfall based on FY24 levels of approximately $3.8 million. Modest recovery is expected between 2026 and 2027, reinforcing the need for careful budgeting and cash-flow management. Long term, EV adoption is expected to triple by 2027, with a notable spike in 2028 when

EVs could reach 12.9% of market share, before plateauing due to infrastructure and affordability constraints. Brands like Hyundai (+9.7% CAGR), Buick, and Ram are positioned for growth, while Dodge (-7.3%), GMC, and Nissan are projected to decline—raising potential concerns for dealership consolidation or turnover. Ford, while still the dominant brand, is losing market share. The transition from internal combustion engine (ICE) vehicles—such as the retirement of the Escape, Altima, and Titan—may also reduce showroom visits and limit consumer choice.

Service operations remain the most stable and essential part of dealership revenue. Brad Webb described the service department as the "backbone" of Packey Webb's business, with Mike Mizwicki agreeing that expanding service capacity is critical to long-term survival. However, dealerships are struggling with a widespread shortage of qualified technicians. All agreed that finding a reliable, trainable individual is more important than hiring someone with full credentials. It was suggested to build stronger partnerships with local educational institutions, such as the DuPage Tech Center and College of DuPage, to grow the pipeline of future auto technicians. Participants welcomed the idea and acknowledged the need to increase awareness and interest among young people.

The conversation also touched on financial operations and sales dynamics. Brad Webb noted that while sales (new, used, and financing products) slightly outpace service revenue—making up about 55% of total income—profit margins are narrow, and monthly fluctuations are significant. All participants agreed that forecasting is difficult, as incentives are often introduced late in the sales cycle, and state sales tax data is not detailed enough for actionable analysis. Participants were open to the Village utilizing tools like S&P Global for broader forecasting and planning, even though most dealers themselves operate on a 30-day sales horizon.

Other topics included the profitability of used vehicles, which remain in short supply due to lingering pandemic effects. While new car dealers now view used vehicles as a critical component of profitability, margins are still tied closely to volume-based incentive programs from manufacturers. Infrastructure needs also arose as a recurring theme. Participants proposed extending the Ogden Avenue TIF district west or creating a new one to support investment and redevelopment on the West end of the corridor. The group suggested that there was a potential opportunity for joint efforts to market the 'Ogden Avenue Car Dealer Corridor. They also raised the idea of burying power lines to improve the corridor's aesthetic and eliminate site constraints—acknowledging the financial implications such a project would pose to taxpayers.

The roundtable closed with a discussion on public safety and community investment. Recent increases in auto theft, especially of domestic vehicles, have significantly driven up insurance costs and operational risks. Participants expressed appreciation for the Village's ongoing support in crime prevention and urged residents to shop locally for vehicles, stressing that auto sales are a critical source of municipal revenue. In summary, as the data forecast warns, the Village should plan for a decline in its auto sales tax receipts in the near term due to ongoing uncertainty due to tariffs and slowing EV sales. Dealerships also appreciated the Village's willingness to partner with the group and expressed a need for continued support of the dealerships in adapting to a changing industry.

Resident Impact - Typical House Pays to VoDG

	2024	2025	2026
Property Tax*	$800	$839	$875
Stormwater Utility**	$208	$226	$246
Water***	$616	$672	$732
Total	**$1,624**	**$1,737**	**$1,853**
% Increase		6.9%	6.7%

NOTES

- ***Property Taxes were calculated using a median house value of $475,000
- ****Stormwater Utility costs were calculated using 1 ERU (Equivalent Runoff Unit) which is what a typical customer is charged
- *****Water costs were calculated using a ⅝" meter and 12 units of consumption which is what typical customer is charged

2026 Increases

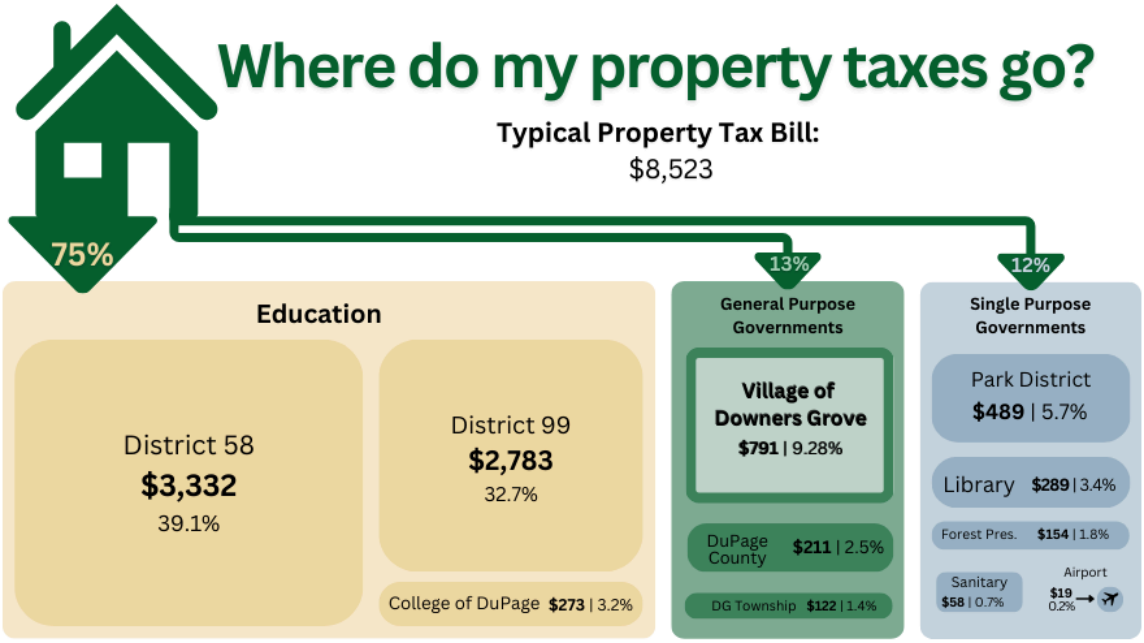
- Property Tax - Due only to Public Safety Pension Levy Increase
- Stormwater Utility - Annual 8.7% increase per plan
- Water - 9% increase per water rate study

Property Taxes

Property taxes are the most stable and significant sources of revenue for the Village, accounting for 27% of General Fund revenue in FY25. Property Taxes are levied on an annual basis on all non-exempt parcels within the Village, which include residential, commercial, and industrial properties. Compared to other sources of revenue that are based on economic variability or changes in consumption patterns, property taxes are a fixed amount of revenue that is determined through the budget process.

How are property taxes determined and collected?		
1.	Establishing Property Tax Levy	Through the budget process, the Village determines the amount of property taxes to be collected in the following year. This is known as the property tax levy. The Village currently levies property taxes for operations ($3.08m), fire protection ($2.94m), required public safety pension contributions ($10.5m), and capital improvements ($0.97m)
2.	Property Tax Rate Established	A property tax rate is calculated as the amount of the total property tax levy divided by the total assessed value (EAV) of taxable property in Downers Grove. i.e., Total Levy/Total Assessed Value
3.	Individual Property Tax Bills Calculated	Each property in Downers Grove is assessed by the Township Assessor. Properties are assessed on a four-year cycle and adjusted for market fluctuations. Individual property tax bills are calculated by applying the property tax rate to the assessed value of the property.
4.	Property Taxes Collected	Property owners pay their annual property tax bill to the County. Twice a year, the County distributes property taxes to each taxing body.

The property tax bill received by property owners is composed of levies from all taxing bodies that the particular property falls under. Below is a breakdown of all the units of government that levy taxes on a typical Downers Grove residential property:



Impacts on Property Taxes and Property Tax Bills

Changes in Tax Levies (*Δ Total Levy* / Total Assessed Value) = Rate	The largest contributor to changes in property tax bills is annual increases to property tax levies by any of the local governments listed above
Changes in Assessment Rate * *Δ Individual Assessment* = Property Tax Bill	Property assessments are re-evaluated on a four-year cycle. This reassessment cycle allows assessors to analyze market trends and adjust the assessment of individual properties based on changes to the market value of properties.
Development and Redevelopment (Total Levy / *Δ Total Assessed Value*) = Rate	New developments or redevelopment projects often result in additional assessed value for the community. These types of projects “expand the pie” or increase the amount of value that a property tax levy is distributed across. Different developments result in different changes to the overall distribution of property taxes.
Equalization Rate * *Δ Individual Assessment* = Property Tax Bill	Because properties may be assessed differently between communities, the State and County can issue an equalization factor to ensure uniform assessments and changes. This can result in a small change to annual assessments across the entire community.

Land Use and Property Tax Analysis

Key Facts

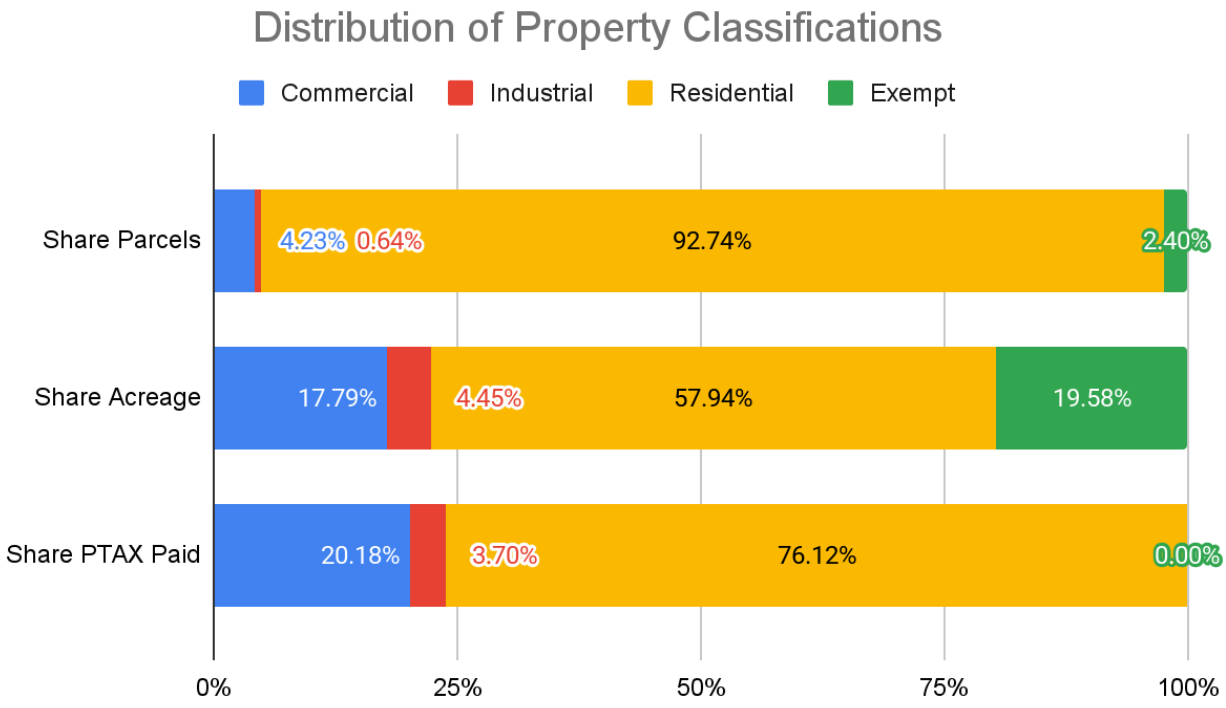
- There are 20,326 individual parcels in Downers Grove
- DuPage County classifies properties into five categories: Commercial, Industrial, Residential, Farm, and Exempt
- Downers Grove uses 19 zoning categories to classify properties by land use
- In property tax year 2024, the total Fair Cash Value (FCV) of all Downers Grove properties is $3.56 billion
    - DuPage County assigns a FCV to each property, but calculates property taxes on an Equalized Assessed Value of ⅓ the FCV
- Last year, a total of $185.7 million in property taxes was paid to all taxing bodies by Downers Grove property owners
- Downers Grove is approximately 9,500 total acres in area
    - Approximately 20% is Right-of-way (i.e., roadways, parkways, and sidewalks)
    - Approximately 20% are parcels that are exempt from property taxes, the majority of which is open space (i.e., parks, forest preserve, stormwater, etc.)
- The 20 highest assessed properties paid 8.53% of all property taxes in 2024

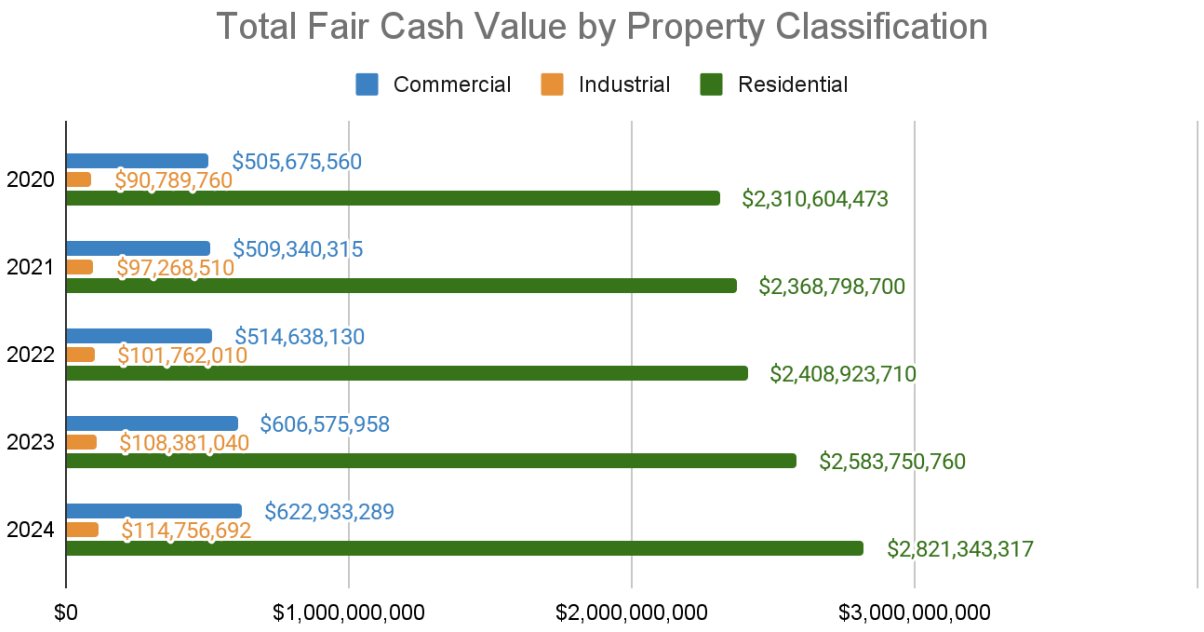
Residential Property Takeaways

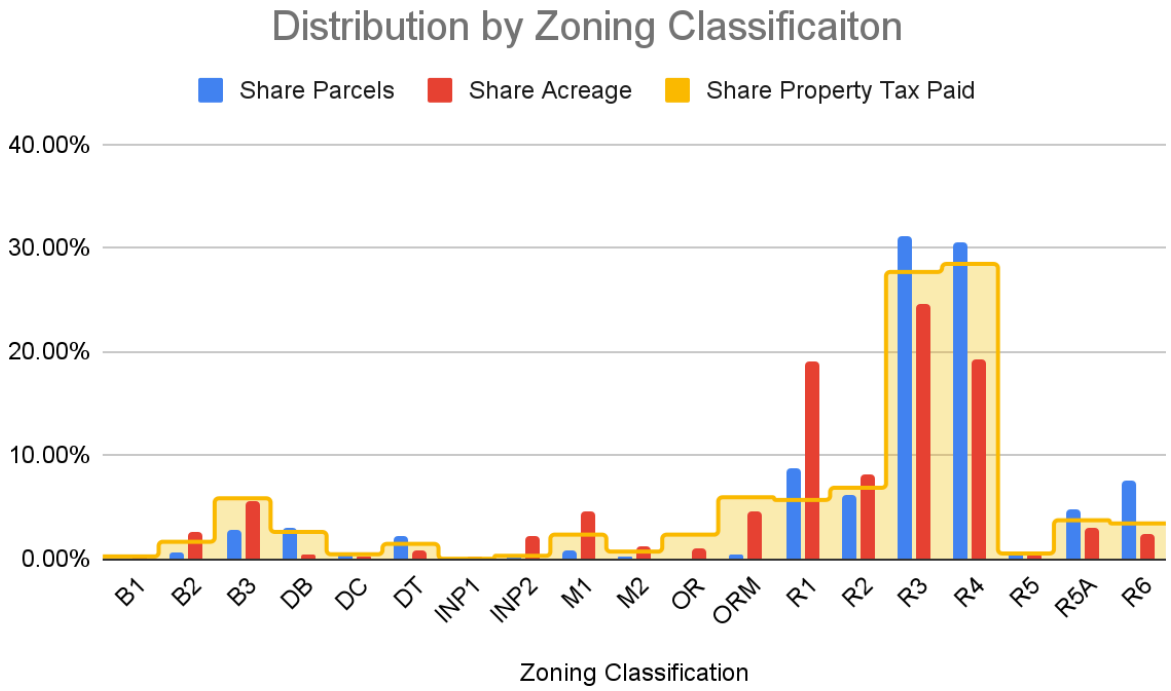
- Residentially classified properties account for 93% of the number of total parcels, 58% of the total acreage in Downers Grove, and 76% of property taxes paid
- The Fair Cash Value of residential properties in Downers Grove increased 22% between 2020 and 2024, and is currently $2.82 billion
- R1, R3, and R4 have the largest proportion of total number of parcels and acreage for all residentially zoned property classifications
    - These classifications pay a lower share of total property taxes compared to their share of number of parcels or acreage (both for R1)
- R1 and R6 have the lowest assessed value per acre
- 9/20 of the highest value properties and highest property tax payers are residential developments that are multifamily or attached single-family developments

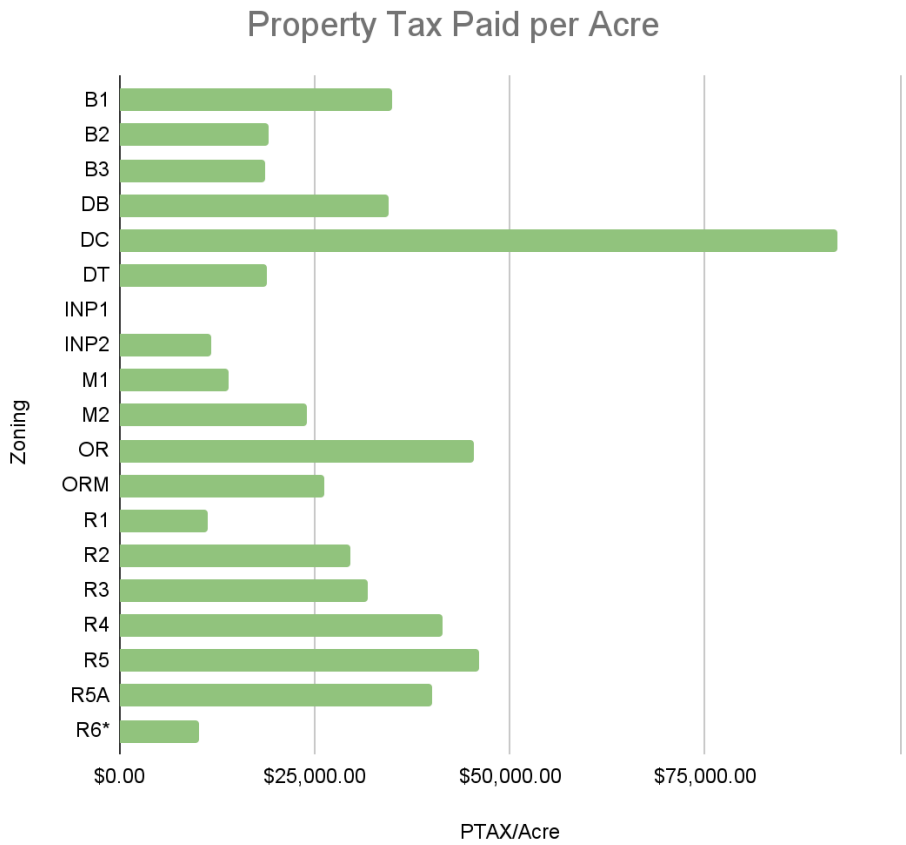
Commercial Property Takeaways

- Commercial properties account for 4% of total parcels, 18% of acreage, and 21% of total property taxes paid
    - Commercial properties pay a higher proportion of property taxes compared to the number of parcels and acreage
- Properties zoned Downtown Core have the highest per-acre value, more than twice as much as the next highest per-acre value (R5 and OR)
    - There is a high value to mixed-use density when also factoring in sales tax and income tax associated with a property
- 9/20 of the highest value properties and highest property tax payers are Class A office buildings


Distribution of Property Classifications
Commercial
Industrial
Residential
Exempt
Share Parcels
4.23%
0.64%
92.74%
2.40%
Share Acreage
17.79%
4.45%
57.94%
19.58%
Share PTAX Paid
20.18%
3.70%
76.12%
0.00%
0%
25%
50%
75%
100%


Total Fair Cash Value by Property Classification
Commercial
Industrial
Residential
2020
$505,675,560
$90,789,760
$2,310,604,473
2021
$509,340,315
$97,268,510
$2,368,798,700
2022
$514,638,130
$101,762,010
$2,408,923,710
2023
$606,575,958
$108,381,040
$2,583,750,760
2024
$622,933,289
$114,756,692
$2,821,343,317
$0
$1,000,000,000
$2,000,000,000
$3,000,000,000


Distribution by Zoning Classificaiton
Share Parcels
Share Acreage
Share Property Tax Paid
40.00%
30.00%
20.00%
10.00%
0.00%
B1
B2
B3
DB
DC
DT
INP1
INP2
M1
M2
OR
ORM
R1
R2
R3
R4
R5
R5A
R6
Zoning Classification


Property Tax Paid per Acre
Zoning
B1
B2
B3
DB
DC
DT
INP1
INP2
M1
M2
OR
ORM
R1
R2
R3
R4
R5
R5A
R6*
$0.00
$25,000.00
$50,000.00
$75,000.00
PTAX/Acre

Sales Tax

Combined sales tax (Municipal Sales Tax and Home Rule Sales Tax) is the largest revenue source for the Village, totaling more than $24m in FY2023. Sales tax is charged to individuals making purchases of eligible goods at businesses within Downers Grove and calculated as a percentage of the total sale. Goods subject to sales tax are those that are considered “finished” products. Wholesale goods sold between businesses or used as inputs to make other products are not subject to sales tax.

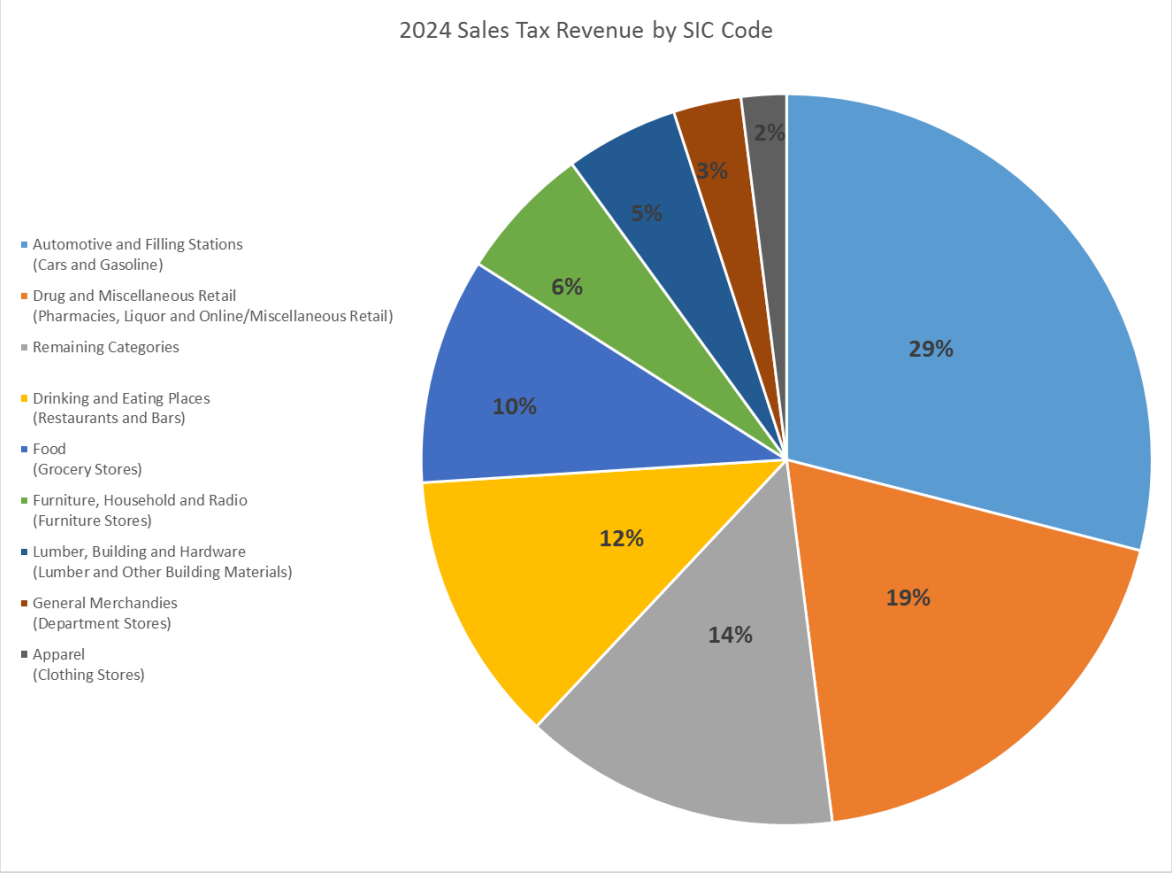
All sales tax is collected by the Illinois Department of Revenue (IDOR) and subsequently distributed to the appropriate entities. This distribution occurs three months after the initial collection of the sales tax by a business. The total sales tax levied on goods sold in Downers Grove is composed of multiple components.

Sales Tax Component	Description	Rate
State of Illinois Sales Tax	Tax revenue used by the State of Illinois	**5.25%**
Municipal Sales Tax	Portion of state sales tax that is remitted to the municipality where the sales took place. This portion of the sales tax is capped at 1.00%	**1.00%**
Home Rule Sales Tax	A sales tax that is levied by Home Rule municipalities in addition to the 1% state sales tax that is remitted to the municipality. There is no limit to the amount that can be levied as Home Rule Sales Tax	**1.00%**
Regional Transportation Authority Sales Tax	A portion of state sales tax that is used to fund public transportation (i.e., Metra, CTA, & Pace)	**0.75%**
Total		**8.00%**

Since sales tax is based on goods purchased, the amount collected fluctuates with consumer spending and is driven by economic factors. Projecting sales tax, especially multiple years into the future, can be difficult due to potential changes in consumer preferences, price changes, and broader economic trends. Additionally, the delay caused by the collection process can make it difficult to anticipate changes that may occur within a fiscal year.

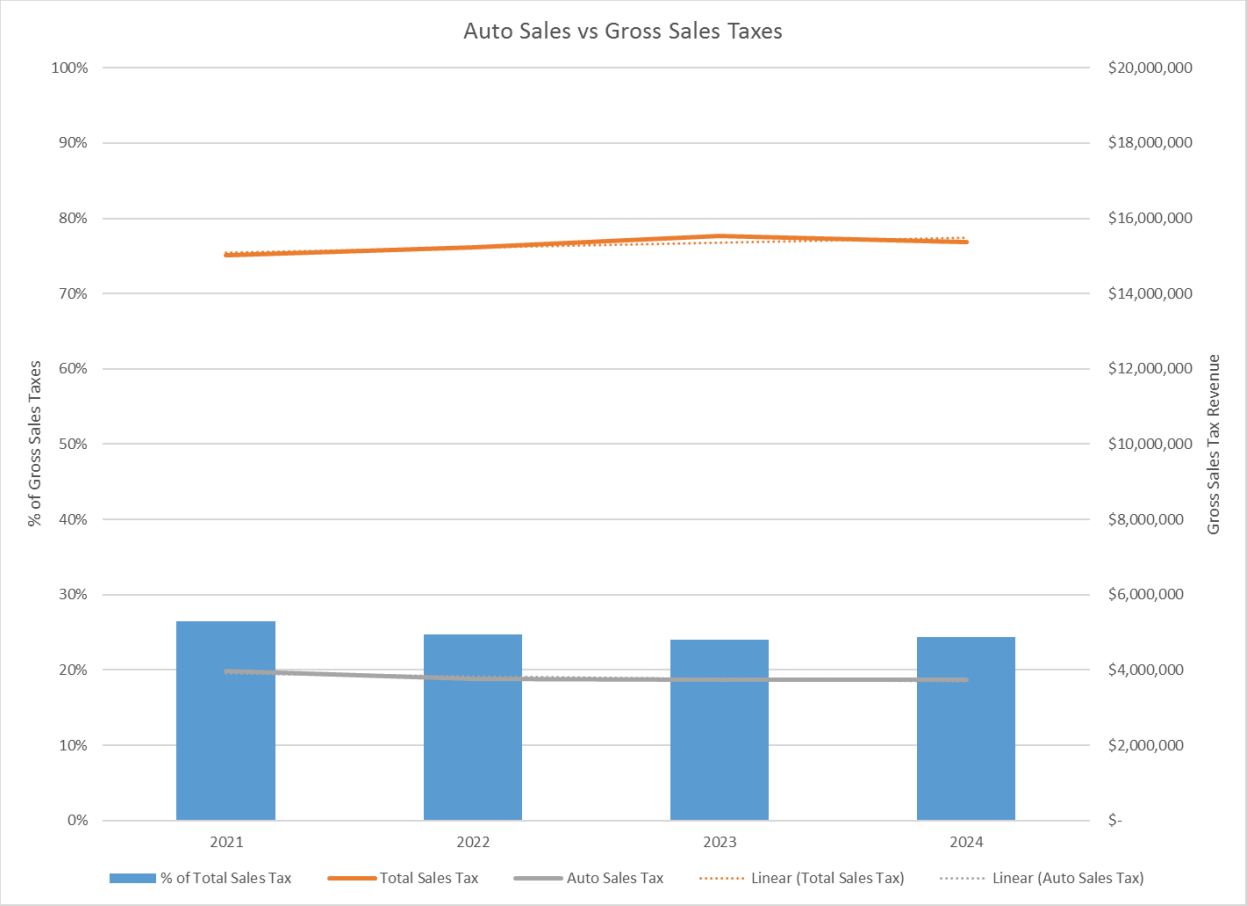
Key Facts/Takeaways

- Automobile Sales make up 25% of total municipal sales tax revenue annually
    - This excludes home rule sales taxes
    - VoDG currently has sales tax rebates to some of the major dealerships
- 5 Categories make up nearly 60% of sales tax revenue
    - Car Sales
    - Eating Places
    - Miscellaneous Retail Store
    - Grocery Stores
    - Drug Stores and Proprietary Stores
- Businesses can self-classify their SIC Code
    - SIC Code categories are good approximations for the performance of each category, but due to the self-classification, some categories may be overrepresented or underrepresented, and the miscellaneous categories may be overrepresented because some of the businesses may fit better in other categories



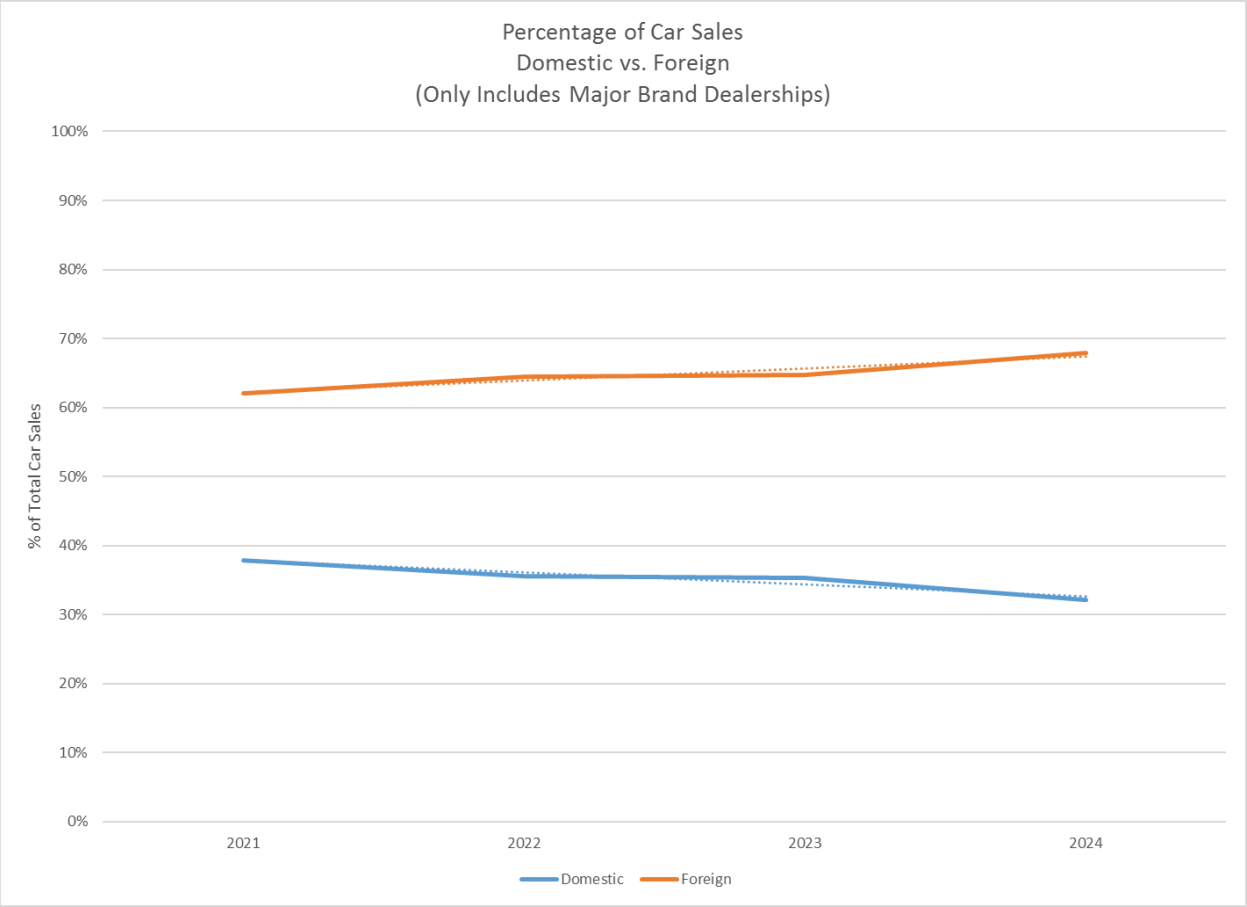
Municipal Sales Taxes from Automobiles

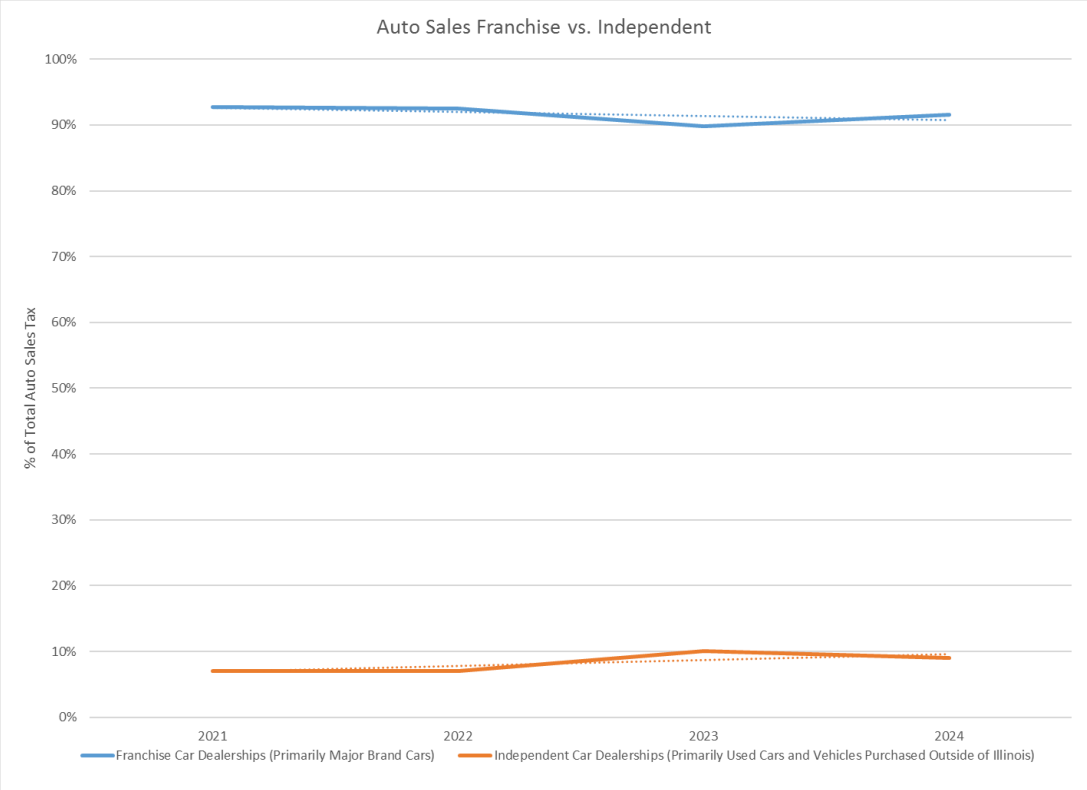
Automobile Sales constitute a significant component of the Village's Municipal Sales Tax (this excludes Home Rule Sales Tax revenue). The Village has a combination of (primarily) new and used car dealerships that offer a variety of brands. Autos have also recently been subject to discussions regarding tariffs that may affect the price of vehicles and the Village's total auto sales. This section shows some details regarding auto sales in Downers Grove, and some background information on how the Village's auto sales may be affected by the larger economy.



***This chart compares auto sales tax revenue to gross municipal sales tax revenue, which does not include home rule sales taxes.**

Brand Name Car Dealerships in Downers Grove	
Domestic	**Foreign**
Bill Kay Buick GMC	Perillo Bentley, Lamborghini
Packey Webb Ford	Castle Genesis
Zeigler Chrysler Dodge Jeep	Castle Hyundai
	Castle Mazda
	Castle VW
	Bill Kay Nissan
	Napleton's of Chicago (Aston Martin, Maserati)





Key Takeaways

- Auto Sales Taxes account for approximately 25% of gross Sales Taxes annually
    - Have been relatively stable from 2021-2024
- Major Brand Car (New) Dealerships account for 90%+ of all auto sales tax revenue in DG
- Foreign brands account for ⅔ of Auto Sales Tax revenue compared to ⅓ for Domestic brands
- Proportion of sales attributed to foreign brands has slightly increased annually since 2021

Other Factors Affecting Auto Sales

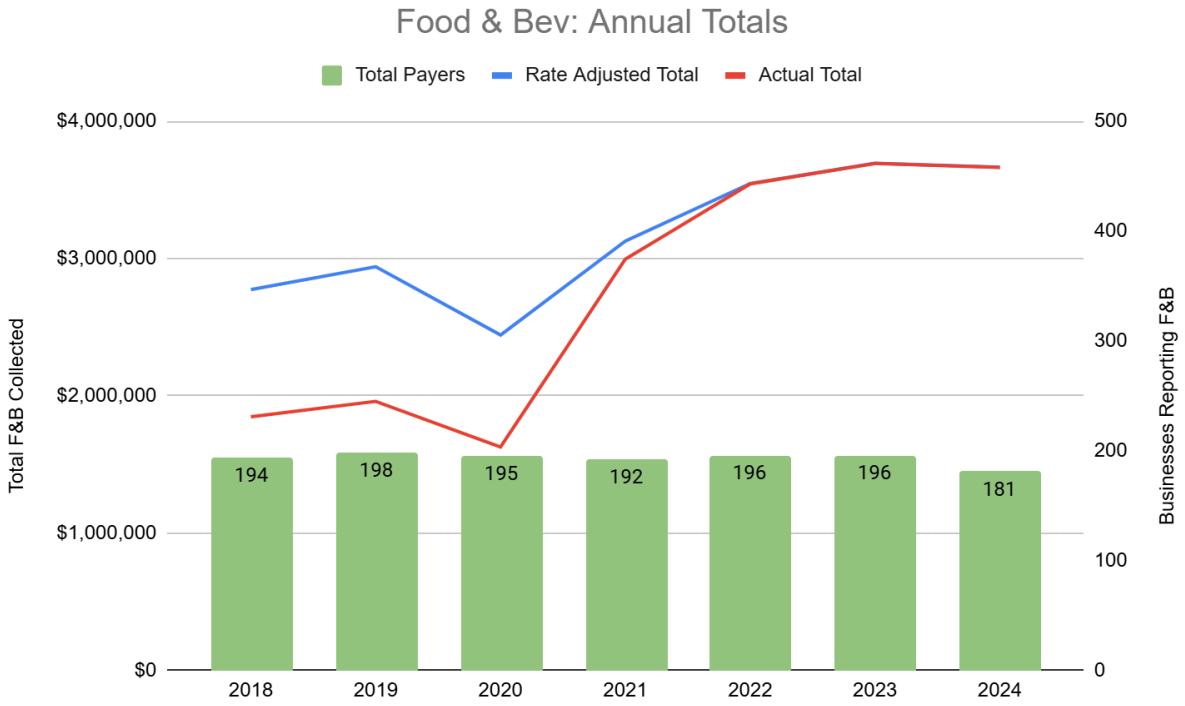
- # of Vehicles Sold in US in Q1 2025 was 4.8% higher than Q1 2024
    - Potential for increased revenue in Q1 2025 compared to Q1 2024
- Consumers are having increasing difficulty paying for cars as the average car loan rate is at a 20 year high and the loan delinquency rate is at the highest since the start of COVID in 2020

Food and Beverage Tax

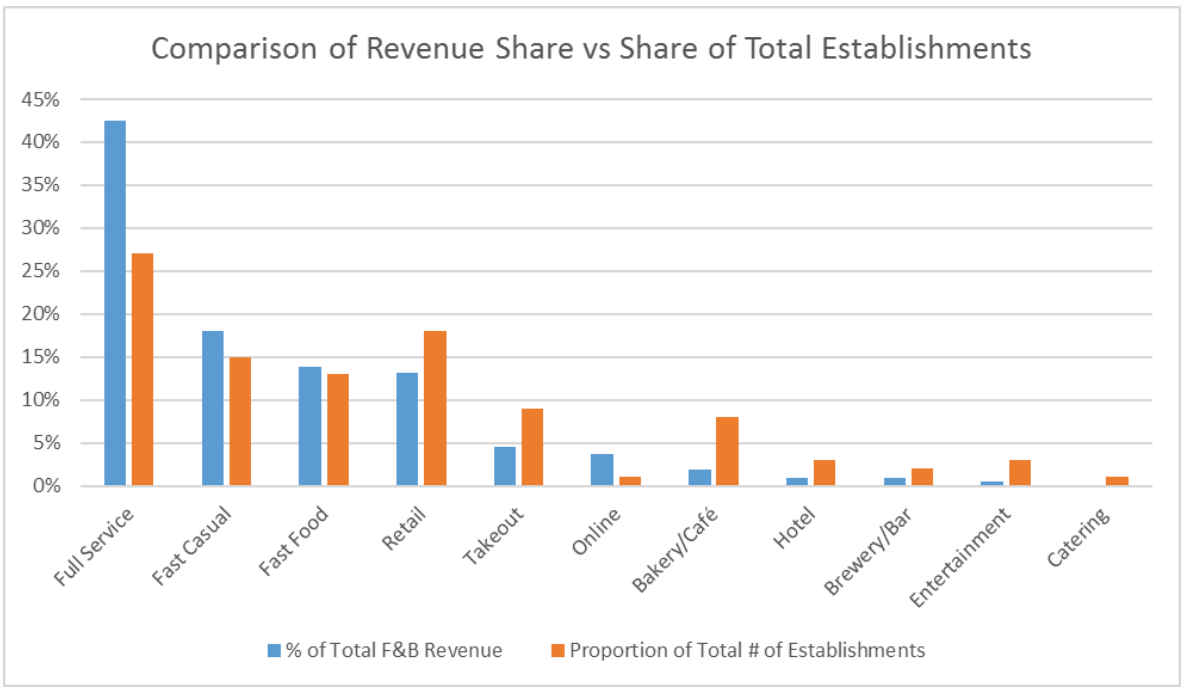
Similar to Sales Tax, the Village also collects a Food and Beverage (F&B) Tax on the sale of packaged liquor, prepared foods, and non-alcoholic beverages for immediate consumption. A majority of this revenue is collected from restaurants, but is also collected from liquor stores, convenience stores, and other establishments that make qualifying sales. The primary difference between F&B Tax and Sales Tax is that the Village is responsible for the collection and administration of F&B Tax. Businesses that are required to collect and remit F&B Tax must register with the Village and submit monthly payments and reports.

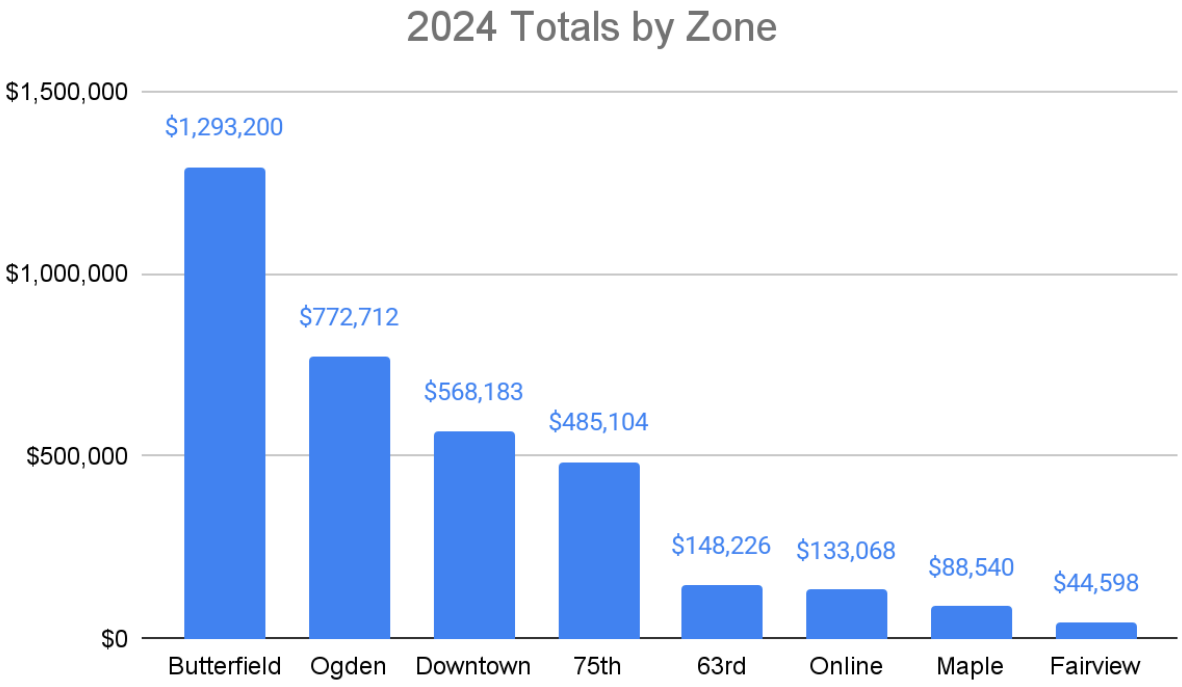
Key Facts and Takeaways

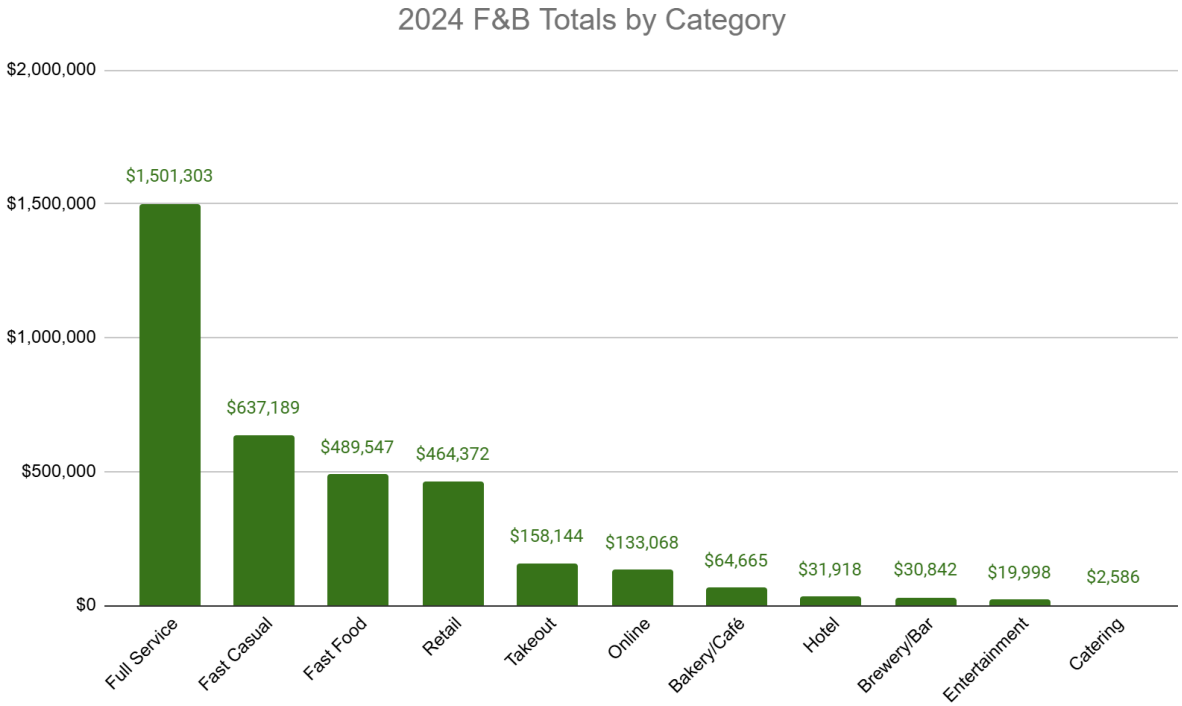
- Businesses that are subject to F&B Tax are also subject to Home Rule Sales Tax
- F&B Tax was introduced in 2018 at 1% and subsequently increased to 1.5% in 2021
    - Since 2018, F&B Tax has generated $19m in revenue for the Village's General Fund
- Full-service restaurants generate the largest share of F&B Tax (42.5%)
    - Full Service also generates the highest proportion of F&B Tax compared to its share of total establishments
- Butterfield Road corridor generates the most F&B Tax, followed by Ogden Ave and Downtown
- 2024 saw a slight decrease in the total amount of F&B Tax collected
    - 75th Street was the only commercial corridor that saw an increase (14%) in F&B Tax generated in 2024
- Food and beverage sales in the Downtown have grown nearly 60% since 2018



Rate adjusted totals are calculated by multiplying actual totals during the period where the F&B rate was 1% by 1.5. This was done to help convey the overall growth in F&B sales by showing a comparable rate over time.




2024 Totals by Zone
$1,500,000
$1,000,000
$500,000
$0
$1,293,200
$772,712
$568,183
$485,104
$148,226
$133,068
$88,540
$44,598
Butterfield
Ogden
Downtown
75th
63rd
Online
Maple
Fairview


2024 F&B Totals by Category
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
$1,501,303
$637,189
$489,547
$464,372
$158,144
$133,068
$64,665
$31,918
$30,842
$19,998
$2,586
Full Service
Fast Casual
Fast Food
Retail
Takeout
Online
Bakery/Café
Hotel
Brewery/Bar
Entertainment
Catering

Other Revenue Sources

Revenue Source	Revenue Description
Income Taxes	Income Taxes are collected by the State of Illinois, and a portion of them is remitted to municipalities on a per capita basis
Utility Taxes	Utility taxes are applied on electric and natural gas usage based on consumption.
Ambulance Fees	The Village charges ambulance fees for patients who are transported to the hospital by the Village's Fire Department. These fees are paid by Private Insurance, Medicaid, Medicare, and Patient Co-Pays.
Hotel Tax	Hotel Tax is charged to any hotel stays in Downers Grove.
Cellular Equipment Rental	Cellular Equipment Rental fees are charged to cell carriers that rent space on Village property for their equipment.
Building Permits	Building permit fees are charged to anyone applying for building permits outside of exempt organizations. The fees vary and typically increase based on the size, type and scope of the project.
Telecom Taxes	Telecom tax is imposed on gross charges for all intrastate and interstate messages. This tax includes charges for landline phones, cellular phones, and the internet.
Water Utility Fees	Water fees are charged to all users of the Village's water system. The water fees charged are made up of a fixed rate based on the size of the water meter and a variable rate based on how much water is consumed. The Village bills water bimonthly, and these funds are used to maintain the Village's water infrastructure.
Stormwater Utility Fees	The Stormwater utility is a fixed fee that is charged on utility bills and is related to the impervious area taken up by each property. The amount paid by property owners is related to the amount of impervious area on their property. These funds are used to maintain the Village's stormwater infrastructure.
TIF Increment	Tax Increment Financing (TIF) is a revenue source that is collected through property taxes on specific parcels that are legally designated as being within a TIF district. Increment is calculated as the difference between property tax revenue in a given tax year compared to the base year the TIF district was created. TIF revenues must be accounted for through a special revenue fund and can only be spent on specific expenses.

Alternative Revenues and Revenue Enhancements

	Fee Description	Revenue Projection	Implementation	Proposed Fund Use
Vehicle Stickers	Vehicle stickers are an annual or biannual fee required for purchase for all vehicles that are owned by residents who are homed within the Village.	• 20,000 Households • 1.5 Vehicles per household • 30,000 Vehicles • $30 per vehicle annually • $900,000 Annually	Implementing a vehicle sticker program would require creating a new billing system in the Village's ERP system. This system would include creating invoices, a new billing process, and a way to track customers.	Revenue from this program could be used in the General Fund or Capital Projects Fund.
Amusement Tax	An amusement tax generally includes but is not limited to the following; a performance or show for entertainment purposes, an entertainment or recreational activity, or streaming services. If enacted, the Village would determine the types of amusement to be taxed and at what rates. Streaming services would be considered a type of amusement and would generally include, but is not limited to; Netflix, Hulu, Paramount Plus, Max (HBO), Amazon Prime	Initial rough projections based on two municipalities that have an amusement tax that includes streaming services (East Dundee and Evanston), an amusement tax would be projected to generate up to $1 million.	Any business subject to the amusement tax would be responsible for collecting the tax and remitting it to the Village. The Village would need to identify businesses that are subject to the tax and ensure that the taxes are being remitted.	Revenue from this program could be used in the General Fund or Capital Projects Fund.

	Video, Apple TV, Disney Plus, Fubo, and YouTube TV among many others.			
Real Estate Transfer Tax/Stamp	A Real Estate Transfer Tax is assessed on the sale of property within the Village. The seller must obtain the stamp before closing. The rate is assessed as a $ per value of the property. For example, Elmhurst charges $1.50 per $1,000 of value.	Elmhurst generated approximately $700,000 in revenue from its real estate transfer tax in 2024. This would be a reasonable projection for Downers Grove, assuming a similar rate is charged.	There would be significant administrative effort required in the setup and administration of this program, potentially including the hiring of an additional staff member to administer the program. A referendum is required to enact a Real Estate Transfer Tax.	Revenue from this program could be used in the General Fund or Capital Projects Fund.
Food and Beverage Tax	The Downers Grove Food and Beverage Tax is a 1.5% tax on the purchase price of alcohol, packaged liquor, prepared foods, and non-alcoholic beverages for immediate consumption. The Village of Downers Grove first introduced the Food and Beverage Tax in 2018 at 1.0% and increased the rate to 1.5% in 2021.	Based on 2024 revenues, increasing the Food and Beverage tax by 0.25% would generate $600,000 in additional revenue, and increasing it by 0.5% would generate $1.2 million in additional revenue. If Council chose to increase the Food and Beverage Tax, staff would not recommend increasing it past 2%.	The Village Council would approve a rate increase of the food and beverage tax rate and it would likely be slated to go into effect on January 1st of the next fiscal year.	Additional revenue would likely be assigned to the General Fund as that is where these revenues are currently assigned, but they could be assigned elsewhere dependent on other needs.
Home Rule Sales Tax	HRST is charged on general merchandise and food for immediate consumption but does not	The Village collected approximately $9.3 million in HRST in 2024. An additional 0.25% increase would	The Village Council would approve an ordinance for the rate increase of the Home Rule Sales tax.	The revenue generated from the HRST is currently split with 75% going into the Capital

	apply to certain purchases, including auto sales, groceries and healthcare items. Although the HRST is a locally imposed tax, the State of Illinois collects the tax and pays it to the Village. The rate is currently 1% in the Village of Downers Grove.	generate $2.2 million in additional revenue. An additional 0.50% increase would generate an additional $4.4 million in additional revenue.	The Illinois Department of Revenue requires this ordinance to be filed with the State by October 1 to take effect January 1 of the following year.	Fund and 25% going into the General Fund. Future revenues can be assigned with the same split, or can be reassigned based on the performance of other revenues and the needs of the Village.
Local Motor Fuel Tax	The local motor fuel tax is a tax assessed on the purchase of gasoline, including diesel fuel, liquefied petroleum gas, liquified natural gas, and compressed natural gas. The Village's current rate is $0.015 per gallon.	The Village collected approximately $195,000 in Local Motor Fuel Tax in 2024. An increase to $0.020 per gallon would generate an additional $65,000 in revenue.	The Village Council would approve a rate increase of the local motor fuel tax and it would likely be slated to go into effect on January 1st of the next fiscal year.	These funds are currently pledged to debt service for the Civic Center. Any additional revenue would help offset other revenues being used to pay for the Civic Center debt.
Property Tax Levy	The Village passes levies for general operations, capital, and police and fire pensions. The Village current practice has kept the operations and capital levies flat, while levying the actuarily required amount for the police and fire pensions.	The projected revenue would be dependent on the discretion of the Village Council. As a home rule community there is no limit to the extent of the levy increase.	The Village would implement this levy as one of the final steps of the budget process.	Increasing the operations levy would increase funds available in the General Fund. Increasing the capital levy would increase funds available in the Capital Projects Fund.

Fund Overview

FUND	REVENUES	EXPENDITURES
General Fund	Main Operating Fund for Most Village Services	
General Fund	Property Taxes Sales and Home Rule Sales Taxes Income Tax Utility Taxes Food and Beverage Taxes Ambulance Fees Local Use Tax Hotel Tax Cellular Equipment Rental	Personnel - Salaries Supplies/Materials
Capital Funds	Funds used to account for the acquisition/addition of fixed assets with a useful life of greater than one year	
Capital Projects Fund	Home Rule Sales Tax Telecom Taxes Grants	New Infrastructure Projects Infrastructure Maintenance Personnel Salaries
Major Buildings Fund	Transfers from the General Fund	Maintenance of Major Buildings Construction of New Buildings
Enterprise Funds	Funds used to account for operations financed and operated in a manner similar to private business enterprises	
Stormwater Fund	Stormwater Utility Fee	Maintenance/Building of Stormwater Infrastructure
Parking Fund	Fees Paid by Users of the Parking System Permit Fees and Daily Parking Fees	Maintenance of Parking Lots and Parking Garage
Water Fund	Water Utility Fees	Maintenance/Building of Water Infrastructure
Special Revenue Funds	Funds used to account for proceeds of specific revenue that are legally restricted for expenditures for specific uses	
Motor Fuel Tax Fund	State Distributed Revenue	Must be Used on Roadway Infrastructure
Foreign Fire Insurance Fund	State Distributed Revenue	Determined by the Members of the Fire Department
Ogden Ave TIF Fund	TIF Increment From Increasing EAV	Eligible Redevelopment Costs Within District

Trust and Agency Funds	Funds used to account for assets held by the Village in a trustee capacity	
Police Pension Fund	Property Tax Levy for Pensions	Amount Levied Applied to Fund
Fire Pension Fund	Property Tax Levy for Pensions	Amount Levied Applied to Fund
OPEB Trust Fund	Transfer from the Health Fund	Retiree health benefits
Component Unit	Legally separate organization for which the elected officials of the primary government are financially accountable	
Library Fund	Property Taxes - Levied by Village	Library General Operating Expenses
Library Capital Fund	Transfer from the Library Fund	Library Capital Projects
Internal Service Funds	Funds used to account for the financing of goods and services provided by one or multiple departments on a cost reimbursement basis	
Equipment Replacement Fund	Funded by Transfers from Other Departments (General Fund)	Vehicles, Computers, Fire Equipment
Fleet Services Fund	Funded by Transfers from Other Departments (General Fund)	Maintenance of Vehicles
Risk Management Fund	Funded by Transfers from Other Departments (General Fund)	Workers' Compensation and Liabilities
Health Insurance Fund	Funded by Transfers from Other Departments (General Fund)	Medical, Dental, Vision, and Life Insurance Premiums and Claims
Debt Service Funds	A fund established to account for the accumulation of funds and payment of principal and interest on long-term debt	

Public Safety Pension Funding - Alternative Strategies

The table shows a flat contribution approach to fund required pension obligations. The estimates provided in the model are based on the Village's current actuarial projections. Actual required contributions in the future may change due to various circumstances.

Year	Required Alternative Revenue Contribution (millions)	Property Tax Savings on Typical Household	Property Tax Savings Per $100,000 Assessed Value
2026	$0.50	$24.86	$14.22
2027	$0.50	$24.86	$13.55
2028	$0.50	$24.86	$12.90
2029	$0.50	$24.86	$12.29
2030	$0.50	$24.86	$11.70
2031	$0.50	$24.86	$11.14
2032	$0.50	$24.86	$10.61
2033	$0.50	$24.86	$10.11
2034	$0.50	$24.86	$9.63
2035	$0.50	$24.86	$9.17
2036	$0.50	$24.86	$8.73
2037	$0.50	$24.86	$8.32
2038	$0.50	$24.86	$7.92
2039	$0.50	$24.86	$7.54
2040	$0.50	$24.86	$7.18
2041	$0.50	$24.86	$6.84
Total	**$8.00**	**$397.69**	**$161.85**

Model Assumptions

Annual savings on a typical household were calculated using the following assumptions:

- Annual property tax rate calculated as Total Levy/Total EAV
- Annual growth in EAV calculated using a 5% inflation factor, compared to a historical average annual growth rate of 5.06% between 2015 and 2024
- Property tax bills on a typical household calculated using a home with a value of $470,000 in 2025 and inflated using a 5% inflation factor to match EAV growth
- Savings calculated as the difference in property tax bills between levying the full public safety pension obligation and a levy that is $500,000 less