

VILLAGE OF

Glen Ellyn ILLINOIS

Village of Glen Ellyn

Contact: Megan Plahm

Phone Number: 630-547-5204

Cell Phone: 847-477-2025

Email: mplahm@glenellyn.org

FOR IMMEDIATE RELEASE

September 5, 2018

GLEN ELLYN VILLAGE BOARD CONSIDERING FOOD AND BEVERAGE TAX

Glen Ellyn, IL – On Monday, September 10, the Glen Ellyn Village Board will begin a two-step ordinance reading process on a proposed 1.5 percent food and beverage tax. If passed, the new tax would be used exclusively to help fund future capital projects for the Village.

The Glen Ellyn food and beverage tax is a proposed 1.5 percent tax on the purchase price of prepared food, alcoholic and non-alcoholic drinks that have been prepared for immediate consumption, and on alcoholic beverages sold in original container for consumption off premises. Exemptions would include products, except alcohol, that are prepared off-site in packages ready for retail sale and not for immediate consumption, i.e. basic groceries.

A 1.5 percent food and beverage tax is expected to generate an estimated \$825,000 to \$1.2 million annually. Only capital projects would be funded by this tax, including a downtown parking garage, downtown street and streetscape rehabilitation, a new train station and pedestrian underpass (additional grant funds needed), Civic Center renovations and Roosevelt Road access at Baker Hill Shopping Center.

“A new capital revenue source is needed to sustain a strong capital plan which helps make Glen Ellyn a vibrant community,” said Christina Coyle, Finance Director for the Village of Glen Ellyn. “Capital revenue sources are in decline and to sustain the existing capital plan and fund additional capital projects, a new revenue source is necessary to make this significant investment in the Village’s overall infrastructure and spur more economic growth.”

Several other area municipalities with flourishing restaurants have implemented a food and beverage or places for eating tax, including Elmhurst, Lombard, Naperville, Downers Grove, and Hinsdale, among others. Examples of common transactions in which the 1.5 percent tax would apply includes \$0.75 on a \$50.00 bill at a restaurant or \$0.05 on a \$3.00 coffee purchase. The tax would be borne by both residents and non-residents, both who use Village streets, sidewalks, and Village services. It is estimated that more than 50 percent of the food and beverage tax revenue would be generated by non-residents.

The Village Board has been discussing these capital projects and funding concepts since last year. Throughout the month of August, the Village of Glen Ellyn hosted three community meetings to discuss the proposed food and beverage tax, with over 40 business owners and residents attending. Additionally, the Village Board discussed the capital plan and proposed tax at the Village Board workshop on August 27. After much discussion, and with the feedback gathered at earlier community meetings, the Board gave direction to proceed with the first reading of an ordinance.





The Village partnered with the Glen Ellyn Chamber of Commerce in gathering business feedback and has already received support from the Chamber and a majority of its members.

Chamber President Steve Thompson believes this is beneficial for the business community. "Specifically, a majority of members support Village plans to build parking garages north and south of the central business district. This action would draw more people to visit our central downtown businesses, support our local owners and staff, help create new jobs, and increase the vibrancy for all of Glen Ellyn," said Thompson. "A recent survey of our Chamber members demonstrated a majority supported a new food and beverage tax as the most favored mechanism to fund these capital improvements."

On Monday, September 10 at the 7 p.m. Village Board meeting, the Board will conduct a first reading of the ordinance for the proposed food & beverage tax. This first reading is an opportunity for public to provide input to the Board. The Board may, but is not required, take a non-binding straw vote on the ordinance. A second reading and adoption of the ordinance is anticipated to be held at the Monday, September 24 Village Board meeting. At this reading, the Board would vote to adopt the ordinance and if passed, the tax would become law. If approved, it is proposed that the new food and beverage tax would be implemented March 1, 2019 and will include a provision to sunset in 20 years after bonds associated with the capital projects are paid off.

For more information about the proposed tax, including frequently asked questions and the full details presented at the community meetings, please visit the Village website at www.glenellyn.org.

About the Village of Glen Ellyn

Located just 23 miles west of Chicago, the Village of Glen Ellyn, Illinois offers big city amenities with a small town feel. A historic downtown filled with unique shops, restaurants and seasonal events is just one of many attributes that draw visitors to this award-winning community. For more information about the Village of Glen Ellyn, visit www.glenellyn.org.

###