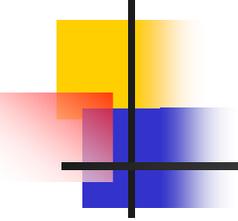


# City of Highland Sales Tax Referendum

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*Election Day*

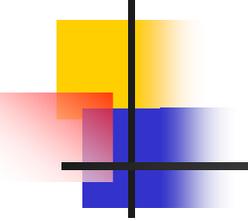
*Tuesday March 21st, 2006*



# What is the Referendum?

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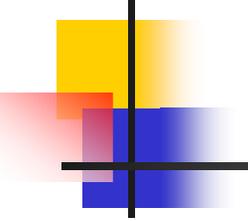
- *Shall the City of Highland impose a non-home rule municipal sales tax at the rate of 1% for purposes of property tax relief and public infrastructure improvements?*



# Current Affairs

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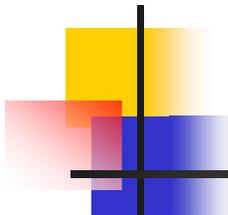
- The proposed FY '06 – '07 budget for Streets & Alley includes \$16.2 million for new road construction and upgrades of existing roads in the City's 5-year budget projections.
- The Special Census showed 12% growth in Highland since 2000. The official population is now 9,433.
- 1997 General Obligation Street Bond, paid by property taxes, expires in 2007.



# Proposed Street & Alley Budget

	COST FOR FIVE YEAR PERIOD	RECOMMENDED SCHEDULE FOR FIVE-YEAR PERIOD				
		2006-07	2007-08	2008-09	2009-10	2010-11
Poplar St Upgrade-2nd Phase	\$705,000	\$295,000	\$205,000	\$205,000		
NE Quadrant	7,820,000	700,000	1,370,000	4,600,000	1,150,000	
Iberg Road Reconstruction	1,765,000	1,765,000				
Square Revitalization	750,000	750,000				
NW Quadrant	3,390,000				240,000	3,150,000
6th St. Storm Sewer	1,530,000	150,000	1,380,000			
Storm Drainage	250,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	<b>\$16,210,000</b>	<b>\$3,710,000</b>	<b>\$3,005,000</b>	<b>\$4,855,000</b>	<b>\$1,440,000</b>	<b>\$3,200,000</b>

- Rule of Thumb...1 Mile of Construction equals \$2 Million Dollars.

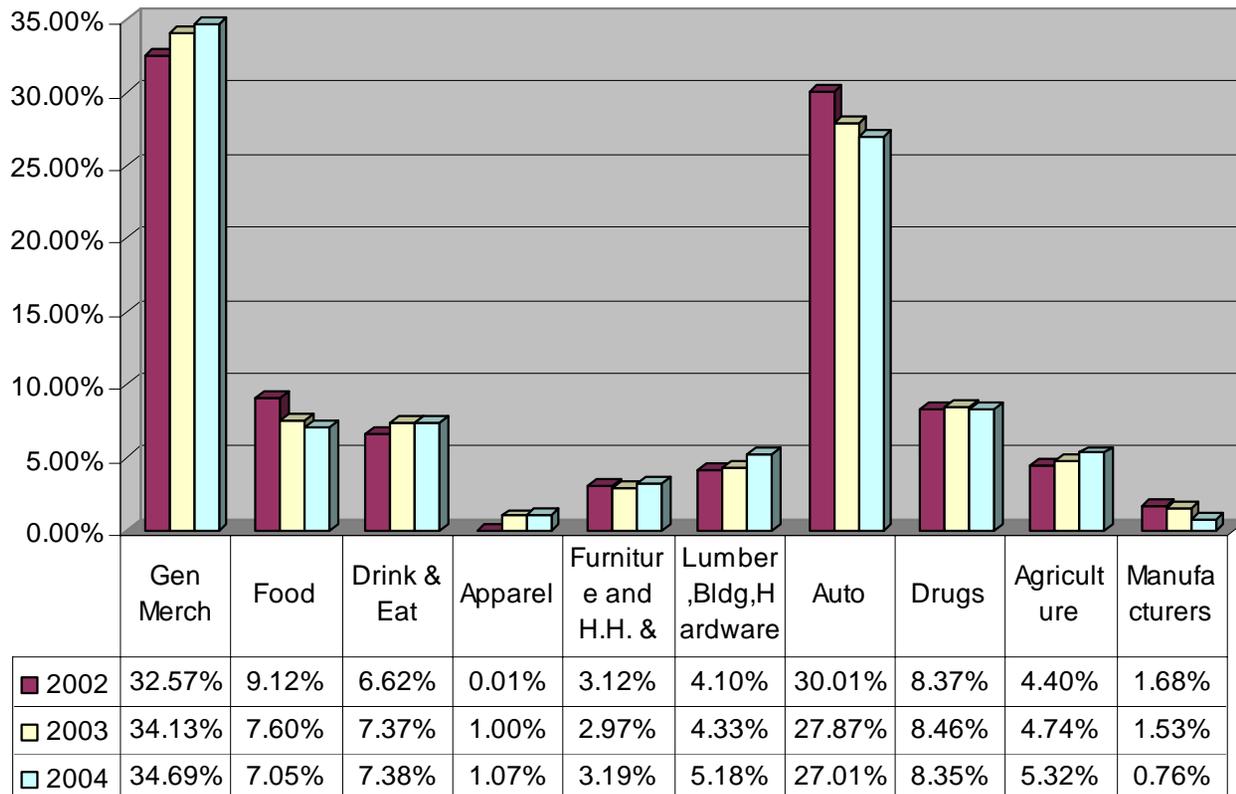


# Current Sales Tax = 6.6%

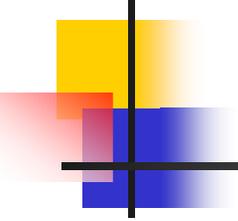
- State of Illinois 5%
- City of Highland 1%
- Madison County .25%
- MCT .25%
- MEPRD .1%

City	2005 Total
EAST ST. LOUIS	8.10%
GRANITE CITY	8.10%
BELLEVILLE 1/06	7.60%
FAIRVIEW HEIGHTS	7.60%
O'FALLON	7.60%
SWANSEA	7.60%
WOOD RIVER-Bus.Distr	7.60%
ALTON	7.10%
COLLINSVILLE	7.10%
LEBANON	7.10%
SHILOH	7.10%
GREENVILLE	6.75%
BETHALTO	6.60%
COLLINSVILLE	6.60%
EDWARDSVILLE	6.60%
GLEN CARBON	6.60%
GRANTFORK	6.60%
<b>HIGHLAND</b>	<b>6.60%</b>
MARYVILLE	6.60%
PIERRON	6.60%

# Sales Tax By Type



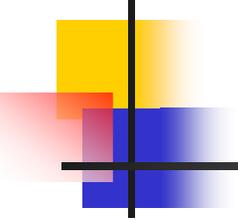
City of Highland, Illinois



# The Proposal's Effect

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- The City's General Fund would receive an estimated \$1.2 - 1.5 million in additional revenue annually.
- 80% of the new revenue would be reserved for major road construction projects. 20% of the new revenue would be used towards minor projects, such as upgrading existing roadways.
- The sales tax on a \$100 purchase would increase from \$6.60 to \$7.60.
- Some items such as vehicle sales, drugs, and foods consumed off premise, would be exempt from the additional rate.

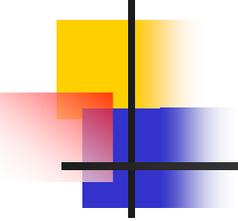


# How Would It Benefit Highland Residents?

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- Traffic Congestion Relief
- Property Tax Relief
- Shared Cost Benefit



# Major Road Projects



- 80% for Major projects
- Peripheral Route
  - NE Quadrant
  - NW Quadrant
- Iberg Road Reconstruction
- 6<sup>th</sup> St. Storm Sewer
- Poplar St. – Phase II

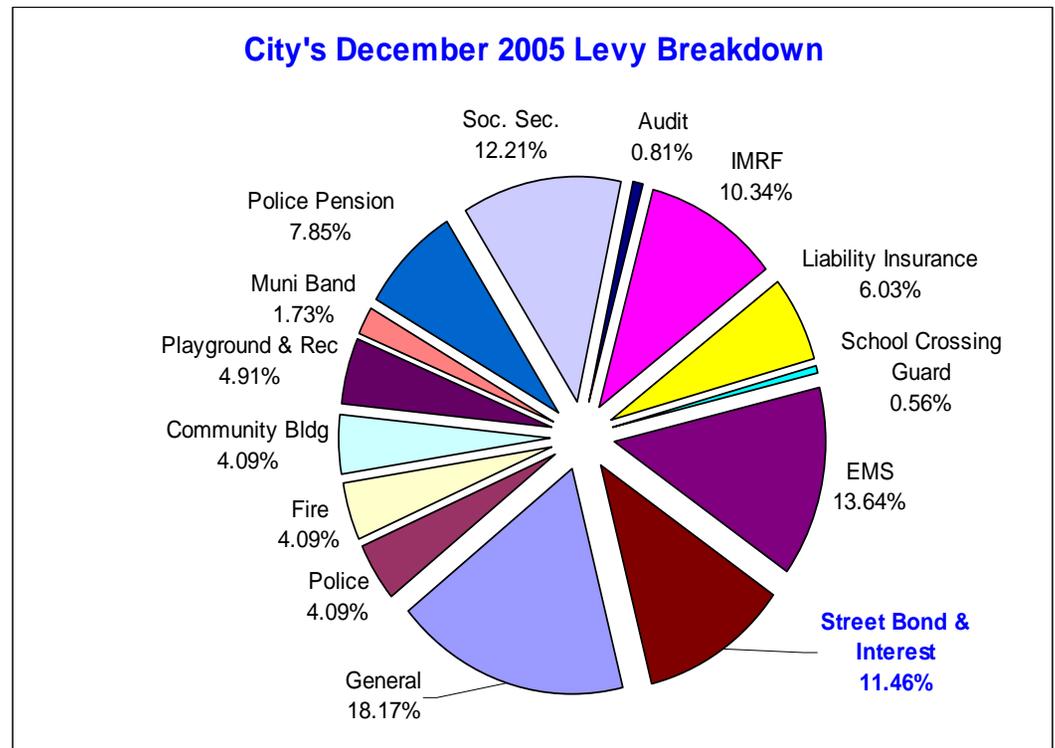
# Minor Road Projects

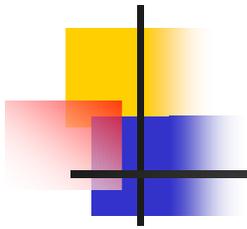
- 20% of the new revenue would be reserved for resurfacing existing roads and similar projects.
- Potential projects include the resurfacing of Oak St, 2<sup>nd</sup> St, and 20<sup>th</sup> St.



# Potential to Reduce Property Taxes by 11% - 12%

- If the voters pass the referendum, home owners may realize an 11 - 12% savings in the City's portion of Property Taxes on their 2006 and 2007 property tax bills due to the abatement of the existing Street Bond.

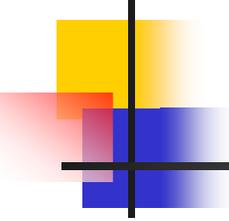




# Shared Cost Benefit

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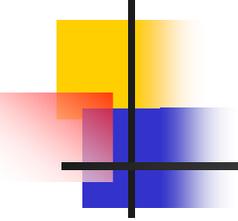
- The burden of paying for the City's infrastructure growth would not fall solely on the property owners of Highland.
- Everyone who shops in Highland, including non-residents who use the City's infrastructure, will share the costs for upgrades and new construction.



# Other Benefits

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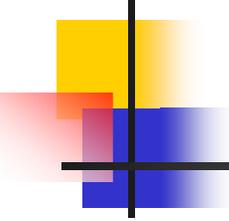
- It would provide a perpetual revenue stream to the City for future infrastructure projects and road repairs.
- Provides a possible allocation for the use of financing drainage projects in the City.
- Will not create a significant competitive disadvantage for businesses when compared to other municipalities in both Madison and St. Clair Counties.



# FAQ's

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- Does the Sales Tax referendum effect the School District's Taxes ?
  - Answer – NO
- What tax rate applies to goods delivered to Highland?
  - Answer – Point of sale applies in most cases.
- Why are vehicles licensed and titled in Illinois exempt from this non-home rule sales tax?
  - Answer – Limited by Illinois State Statute



# Summary

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- Additional 1% Sales Tax.
- Proceeds to be Used to Fund Projects for both New and Existing Roads.
- 11-12% relief from the City's Property Tax Levy.
- Shifting of the tax burden from the Home Owners in Highland to those who spend money in Highland.

# Thank You For Learning About the Sales Tax Referendum

*To end the slideshow and return to the City of  
Highland's website, please click on the shields.*

