

Dear River Forest Residents,

While it is encouraging that the values of our properties are increasing, it is always difficult to cut that check to the County Treasurer. This is a good time to explain in a little more detail how the property tax system in Illinois and Cook County works and why the Village talks a lot about economic development.

Each tax bill in River Forest includes nine separate entities that levy taxes to fund operations and meet their obligations including salaries and benefits, such as health insurance and pensions, maintenance of equipment and property, plus a myriad of programs and services each unit of government offers to our community.

Think of all property tax revenue collected from River Forest properties as a pie. Each year, taxing bodies ask for a piece of that pie to fund their services and obligations. The value of each property determines each owner's "share" of the pie, or what you, the property owner, will pay to support public programs and services whether you use them or not.

In towns with strong commercial property bases, residential properties pay lower taxes, not because the government is asking for less money but because the commercial properties pick up a greater share of the tax. In primarily residential communities such as ours, homeowners shoulder a larger share of the property tax burden because they make up the majority of the property tax base.

More than 50 percent of properties in River Forest cannot be taxed. It is land owned by nonprofit organizations including universities, the Forest Preserve District, religious institutions, schools, the library and the Community Center, which all provide valuable services to River Forest. Of taxable property, approximately **90 percent is residential** and 10 percent is commercial. As a result, residential properties pay a majority of the taxes in River Forest.

It is important to understand how your taxes are calculated and how that relates to the importance of economic development. Every three years, the Cook County Assessor's Office determines the value of every parcel of land. 2023 is a reassessment year. All River Forest Township property owners were mailed a reassessment notice on April 27, 2023 by the Cook County Assessor's Office. 2023 is the first year of a new triennial appeal cycle. Appealing can give residents a lower assessed value if records indicate the property is not assessed equitably. River Forest Township is open for appeals with the Cook County Assessor until May 30th.

The calculation to determine your property taxes is an overly complicated one, but for this discussion, it is important to know a residential parcel is taxed at 10 percent of its value.

For example, if a home is valued at \$500,000, the taxes paid are based off of a value of \$50,000 ($\$500,000 \times 10\% = \$50,000$). In the case of a commercial property, the property is taxed at 25 percent of the value. A commercial property worth \$500,000 has its taxes based off a value of a \$125,000 ($\$500,000 \times 25\% = \$125,000$). A commercial property, in Cook County, will pay 15 percent more in taxes than a residential property with the same exact value. The property taxes paid by commercial properties are based off of a higher percentage of their value than residential properties.

River Forest is a landlocked community with few opportunities to create new commercial development, so we must do what we can to get the highest and best use out of each commercial property. The strategic decision River Forest made in 1987 to create a Tax Increment Financing (TIF) District along Lake Street was monumental. Because of that TIF, commercial land at Harlem Avenue and Lake Street now produces significantly more property tax revenue than it did 30 years ago. If that development did not exist River Forest homeowners would pay more in taxes today than we already do.

Therefore, the Village must now focus on strengthening its commercial base. The Village continues to work on redevelopment possibilities for the Madison Street TIF District and the North Avenue TIF District. Projects such as the senior living facility at Chicago & Harlem help strengthen our tax base and stabilize our property tax bill – not to mention bringing amenities to our community!

If you are interested in learning more about where your tax dollars are, visit the Village's Community Portal by [clicking here](#). This will provide you information not only about where your property taxes go but provide other useful information about your property.

If you have questions regarding your tax bill, please [click here](#) and contact the River Forest Assessor's Office.

Sincerely,

A handwritten signature in black ink that reads "Cathy". The signature is written in a cursive, flowing style.

Village President Cathy Adduci