



Legislation Details (With Text)

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**Title:** Receive the estimated 2019 property tax levies for Special Service Area (SSA) #21, SSA #23, SSA #25, and SSA #26, and direct staff to publish notice for a Truth-in-Taxation hearing on December 17, 2019.

**Sponsors:**

**Indexes:**

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**Attachments:**

| Date      | Ver. | Action By    | Action   | Result |
|-----------|------|--------------|----------|--------|
| 11/5/2019 | 1    | City Council | received | Pass   |

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Receive the estimated 2019 property tax levies for Special Service Area (SSA) #21, SSA #23, SSA #25, and SSA #26, and direct staff to publish notice for a Truth-in-Taxation hearing on December 17, 2019.

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Finance Director

**BOARD/COMMISSION REVIEW:**

None

**BACKGROUND:**

If an estimated special service area (SSA) tax levy is more than 105% of the amount needed for that special service area for the preceding year (in any year other than the initial year of the SSA) state statute requires notice, compliant with the Open Meetings Act, be given and a hearing held on reasons for the increase. 35 ILCS 200/27-75.

Since the City will be conducting a Truth-in-Taxation hearing for the aggregate City tax levy, it is recommended, and is past practice, for the City to provide the same Truth-in-Taxation notice for its SSAs, which notice meets and exceeds the notice requirements of the Open Meetings Act.

This agenda item includes the estimated levy for each of the City’s four (4) SSAs. Staff will publish a Truth-in-Taxation notice for the SSA levies in the same manner identified in the agenda item summary for the aggregate City tax levy. On December 17, 2019, the City Council will conduct Truth-in-Taxation hearings for each SSA and adopt levies for each SSA.

**DISCUSSION:**

The City has four (4) SSA's and the Finance Department has estimated the 2019 property tax levy needed to support the proposed 2020 Annual Budget for each SSA listed below.

| Purpose                                    | 2018 Extension | 2019 Levy | Projected Change |
|--|----------------|-----------|------------------|
| SSA #21 (Van Buren Deck)                   | 202,059        | 0         | -100%            |
| SSA #23 (Main Street Promenade)            | 66,022         | 98,939    | 49.86%           |
| SSA #25 (Lacrosse Lane)                    | 68,005         | 68,000    | -0.01%           |
| SSA #26 (Downtown Maintenance & Marketing) | 997,459        | 1,046,216 | 4.89%            |

One of the SSA's exceed a levy of more than 105%, SSA #23.

**SSA #21 Van Buren Deck**

The 2019 levy recommendation for SSA #21 (Van Buren Deck) is \$0. The City has accumulated balances to repay the debt service related to the Van Buren Deck. The final payment of debt will be December 1, 2024.

**SSA #23 - Main Street Promenade**

The 2019 levy recommendation is \$98,939. The request is a 49.86% increase from last year's extension. This levy is utilized to provide a financing mechanism for debt service on the Naper Main parking facility based upon a sales tax incentive agreement.

**SSA #25 - LaCrosse Lane**

The 2019 levy recommendation is \$68,000. This amount is consistent with last year's levy. The total will be used to fund debt service costs. The SSA was created in 2012 to finance the traffic signal at LaCrosse Lane for a 15-year period.

**SSA #26 - Downtown Maintenance and Marketing**

SSA #26 was established in 2015 and will expire at the end of 2020. The 2019 levy recommendation is \$1,046,216, an increase of 4.89% from the 2018 property tax extension. This increase is due to a growth in maintenance expenses.

SSA #26 provides special municipal services to the designated area including: parking lot operations and maintenance; maintenance of the public parking garages; custodial services; sidewalk and parking lot snow removal; maintenance of landscaping; streetscape and street lighting; holiday lighting on parkway trees and buildings; sidewalk maintenance, including brick paver repair; special directional signage; and capital improvements. Property owners cover one-third and the City covers two-thirds of the maintenance expenses. Additionally, the SSA provides funds for marketing, which are 100% paid by the property owners. SSA #26 has a maximum tax rate of 2.5% per annum of Equalized Assessed Valuation (EAV).

**FISCAL IMPACT:**

The recommended Special Service Area (SSA) tax levies of: \$98,939 for SSA #23; \$68,000 for SSA

#25; and \$1,046,216 for SSA #26, will be used to support the applicable debt fund service and provide special municipal services.