



Legislation Details (With Text)

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Title: Receive the estimated 2020 property tax levies for Special Service Area numbers 23, 25, 31, and 33, and direct staff to publish notice for a Truth-in-Taxation hearing on December 15, 2020

Sponsors:

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Date	Ver.	Action By	Action	Result
11/4/2020	1	City Council	received	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Receive the estimated 2020 property tax levies for Special Service Area numbers 23, 25, 31, and 33, and direct staff to publish notice for a Truth-in-Taxation hearing on December 15, 2020

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

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

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. This 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 SSAs that will levy taxes in 2021. 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 15, 2020, the City Council will conduct Truth-in-Taxation hearings for each SSA and adopt levies for each SSA.

DISCUSSION:

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

Purpose	2019 Extension	2020 Estimated Levy	Projected Change
SSA #21 (Van Buren Deck)	-	-	-
SSA #23 (Main Street Promenade)	99,931	98,939	(0.99%)
SSA #25 (Lacrosse Lane)	68,002	68,000	0.00%
SSA #30 (Downtown Streetscape)	-	-	-
SSA #31 (Downtown Streetscape)	-	27,000	-
SSA #33 (Downtown Maintenance & Marketing)	-	1,146,702	-

SSA #21- Van Buren Deck - \$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 - \$98,939

The request is a 0.99% decrease 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 - \$68,000

The request is flat to last year's extension. 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 #30 - Downtown Streetscape (Jefferson/Main) - \$0

SSA #30 was established in 2019 as a mechanism to fund debt service payments resulting from bonds issued for the design and construction of streetscape improvements along sections of Jefferson Avenue and Main Street in the downtown. To date, no bonds have been issued for this project.

SSA #31 - Downtown Streetscape (41 S Jefferson) - \$27,000

SSA #31 was established in 2019 as a mechanism fund City required streetscape improvements associated with the redevelopment of the property located at 41 S Jefferson Avenue. The City reimbursed the property owner for the improvements and will recoup those costs, plus interest, through the SSA levy over 15 years.

SSA #33 - Downtown Maintenance and Marketing - \$1,146,702

SSA #33 was established in 2020 to replace SSA #26, which will expire at the end of 2020.

SSA #33 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 paid exclusively by the property owners. SSA #33 has a maximum tax rate of 2.5% per annum of Equalized Assessed Valuation (EAV) and will remain active through 2025.

FISCAL IMPACT:

The recommended Special Service Area tax levies of: \$98,939 (SSA #23); \$68,000 (SSA #25); \$27,000 (SSA #31), and \$1,146,702 (SSA #33) will be used to support the applicable debt service payments and provide special municipal services.