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Title: Receive the estimated 2022 property tax levies for Special Service Area numbers 23, 25, 30, 31, 33 and 34

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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Receive the estimated 2022 property tax levies for Special Service Area numbers 23, 25, 30, 31, 33 and 34

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

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

The City will be conducting a Truth-in-Taxation hearing for the aggregate City tax levy. This agenda item includes the estimated levy for each of the City's six SSAs that will levy taxes in 2022 for the purpose of determining whether a public hearing is required for any of the SSAs.

DISCUSSION:

The City has six SSAs that will levy taxes in support of the proposed 2023 annual budget. The chart below compares the final 2021 property tax extension and the estimated 2022 property tax levy for each of the six SSAs. Note that 2022 will be the first tax year in which a levy is assessed for SSA #30 and SSA #34.

Purpose	2021 Final Extension	2022 Estimated Levy	% Change
SSA #23 (Naper Main)	98,942	98,939	0.0%
SSA #25 (Lacrosse Lane)	68,003	68,000	0.0%
SSA #30 (Downtown Streetscape)	-	87,422	-
SSA #31 (Downtown Streetscape)	23,445	23,680	1.0%
SSA #33 (Downtown Maint. & Marketing)	1,199,032	1,252,829	4.5%
SSA #34 (Downtown Streetscape)	-	18,010	-

None of the six SSAs are estimated to levy more than 105% of the prior year’s extension, therefore, public notice and hearing are not required. Additional details on the amount requested for each levy are provided below.

SSA #23 - Main Street Promenade

The 2022 levy recommendation is \$98,939. The request is nearly flat 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 the existing economic incentive agreement.

SSA #25 - LaCrosse Lane

The 2022 levy recommendation is \$68,000. The request is nearly flat to last year’s extension. The levy will contribute to the reimbursement of the City’s cost to install a traffic signal at Route 59 and LaCrosse Lane. The SSA was established in 2012 to finance the traffic signal over 15 years.

SSA #30 - Downtown Streetscape

SSA #30 was established to fund a capital project involving the design and construction of improvements to the streetscape in the Central Business District. SSA #30 includes the south side of Jefferson Avenue between Main and Webster Street, and both sides of Main Street between Jefferson and Jackson Avenue. Property owners will cover 40% of the expenses through the SSA levy over 12 years that begins in 2023. The 2022 levy recommendation is \$87,422.

SSA #31 - Downtown Streetscape

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. The 2022 levy recommendation is \$23,680.

SSA #33 - Downtown Maintenance and Marketing

SSA #33 was established in 2020 as a successor to SSA #26. 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. The 2022 levy recommendation is \$1,252,829. The 4.5% increase is primarily driven by increased costs for services such as sidewalk snow removal, as well as annual increases in marketing expenses.

SSA #34- Downtown Streetscape

SSA #34 was established to fund a capital project involving the design and construction of improvements to the streetscape in the Central Business District. Work included installing new sidewalks, curbs, and the parkway feature. SSA #34 includes the north side of Jefferson Avenue between Main and Webster Streets. Property owners will cover 40% of the expenses through the SSA levy over 15 years, beginning in 2023. The 2022 levy recommendation is \$18,010.

FISCAL IMPACT:

This agenda item estimates the 2022 property tax levy for each of the City's six SSAs for purposes of determining if a public notice and hearing are required. A formal request to approve the 2022 property tax levy for each of the SSAs will be presented on December 20, 2022.