



City of Chicago



O2017-7783

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	11/8/2017
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Scope of services, budget and management agreement for Special Service Area No. 25
Committee(s) Assignment:	Committee on Finance

ORDINANCE

WHEREAS, special service areas may be established pursuant to Article VII, Sections 6(l) and 7(6) of the Constitution of the State of Illinois, and pursuant to the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended from time to time (the "Act") and pursuant to the Property Tax Code, 35 ILCS 200/1-1 et seq., as amended from time to time; and

WHEREAS, on December 17, 2003, the City Council of the City of Chicago (the "City Council") enacted an ordinance which established an area known and designated as City of Chicago Special Service Area Number 25 (the "Original Area") and authorized the levy of an annual tax, for the period beginning in tax year 2003 through and including tax year 2012 (the "First Services Tax"), in an amount not to exceed an annual rate of forty-five one-hundredths of one percent (0.45%) of the equalized assessed value of the taxable property therein to provide certain special services in and for the Original Area in addition to the services provided by and to the City of Chicago generally; and

WHEREAS, on November 12, 2008 the City Council enacted an ordinance (the "Establishment Ordinance") which reestablished an area known and designated as City of Chicago Special Service Area Number 25 with reconstituted boundaries (the "Area"), terminated the authorization to levy the First Services Tax, and authorized the levy of an annual tax, for the period beginning in tax year 2008 through and including tax year 2017 (the "Original Period") not to exceed an annual rate of forty-five one-hundredths of one percent (0.45%) of the equalized assessed value of the taxable property therein (the "Original Services Tax") to provide certain special services in and for the Area in addition to the services provided by and to the City of Chicago generally (the "Original Special Services"); and

WHEREAS, the City Council finds that it is in the best interests of the City (i) to authorize certain special services in the Area distinct from the Original Special Services (the "Special Services"), (ii) to increase the maximum rate of the Original Services Tax from an annual rate of 0.45% to 0.800% of the equalized assessed value of the taxable property within the Area (the "Services Tax"), and (iii) to authorize the extension of the Original Period and of the levy of the Services Tax for the provision of the Special Services in the Area for a period through and including tax year 2031; and

WHEREAS, the Establishment Ordinance established the Area consisting of West 26th Street from South California Avenue to South Kenton Avenue; South Kedzie Avenue from West 31st Street to West 24th Street; South Pulaski Avenue from West 31st Street to West Cermak Avenue; and West 25th Street from South Lawndale Avenue to South Troy Street; and

WHEREAS, the Original Special Services authorized in the Establishment Ordinance include but are not limited to maintenance and beautification, new construction, coordinated marketing and promotional activities, parking and transit programs, area strategic planning, business retention and recruitment, building facade improvements, security services and other technical assistance activities to promote community and economic development; and

WHEREAS, the Establishment Ordinance provided for the appointment of Little Village Special Service Area Commission (the "Commission") to advise the City Council regarding the amount of the Services Tax to be levied and for the purpose of recommending to the City Council: (1) a yearly budget based upon the cost of providing the Special Services; (2) an entity to serve as a service provider (the "Service Provider"); (3) an agreement between the City and the Service Provider for the provision of Special Services to the Area (the "Service Provider Agreement"); and (4) a budget to be included in the agreement between the City and the Service Provider (the "Budget") (the aforementioned items 1 through 4 shall be known collectively herein as the "Recommendations"); and

WHEREAS, the Commission has heretofore prepared and transmitted to the Commissioner of the Department of Planning and Development (the "Commissioner") its Recommendations to the City Council, including the Budget attached hereto as Exhibit A and hereby made a part hereof; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Incorporation of Preambles. The preambles of this ordinance are hereby incorporated into this text as if set out herein in full.

SECTION 2. Findings. The City Council finds and declares as follows:

(a) The City Council enacted an ordinance authorizing a public hearing on October 11, 2017 and such public hearing was held to consider (i) the authorization of the Special Services as distinct from the Original Special Services, (ii) the increase of the maximum rate of the Services Tax from an annual rate of 0.45% to 0.800% of the equalized assessed value of the taxable property within the Area, and (iii) the authorization of the extension of the Original Period and of the levy of the Services Tax for the provision of the Special Services in the Area for a period through and including tax year 2031;

(b) Notice of the Public Hearing was given by publication at least once not less than fifteen days prior to the hearing in the *Chicago Sun-Times*, a newspaper published in and of general circulation within the City, and notice of the Public Hearing was also given by depositing said notice in the United States mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each property lying within the Area, not less than ten days prior to the time set for the Public Hearing. For any properties for which taxes for the last preceding year were not paid, the notice was sent to the person last listed on the tax rolls prior to that year as the owner of the property;

(c) The notice complied with all of the applicable provisions of the Act;

(d) The Public Hearing was held on November 2, 2017, by the Committee on Finance of the City Council. All interested persons, including all persons owning real property

located within the Area, were given an opportunity to be heard at the Public Hearing regarding any issues embodied in the notice and have had an opportunity to file with the City Clerk of the City of Chicago (the "City Clerk") written objections on such issues;

(e) The Committee on Finance of the City Council has heard and considered all of the comments, objections, protests and statements made at the Public Hearing with regard to the issues embodied in the notice and has determined to recommend to the City Council that it is in the public interest and in the interest of the City and the Area to authorize the Special Services, to increase the amount of the Original Services Tax to the Services Tax, and to extend the Original Period and the levy of the Services Tax to a period through and including tax year 2031, all as provided in this ordinance;

(f) The Public Hearing was finally adjourned on November 2, 2017;

(g) The sixty day period as described in Section 27-55 of the Act, in which an objection petition to this ordinance may be filed, commenced on November 2, 2017; and

(h) The City Council hereby finds and determines that it is in the best interests of the City that (i) the Special Services be authorized, (ii) the maximum rate of the Services Tax be increased from an annual rate of 0.45% to 0.800% of the equalized assessed value of the taxable property within the Area, and (iii) the extension of the Original Period and the levy of the Services Tax for the provision of the Special Services in the Area for a period through and including tax year 2031 be authorized, and all as set forth herein.

SECTION 3. Special Services Authorized. The Special Services authorized hereby include, but are not limited to: customer attraction, public way aesthetics, sustainability and public place enhancements, economic/business development, safety programs, and other activities to promote commercial and economic development. The Special Services may include new construction or maintenance. Some or all of the proceeds of the proposed Services Tax are anticipated to be used by an entity other than the City of Chicago to provide the Special Services to the Area, which such entity shall be a "service provider" pursuant to a "services contract," each as defined in the Act. The Special Services shall be in addition to services provided to and by the City of Chicago generally.

SECTION 4. Authorization of Levy. There is hereby authorized to be levied in each year beginning in 2017 through and including 2031 the Services Tax upon the taxable property within the Area to produce revenues required to provide the Special Services, said Services Tax not to exceed an annual rate of 0.800% of the equalized assessed value of the taxable property within the Area. The Services Tax shall be in addition to all other taxes provided by law and shall be levied pursuant to the provisions of the Code. The levy of the Services Tax for each year shall be made by annual ordinance, commencing with this ordinance.

SECTION 5. Appropriations. There is hereby appropriated the following sums in the amounts and for the purposes necessary to provide the Special Services in and for the Area, the estimated amounts of miscellaneous income and the amounts required to be raised by the levy of the Services Tax indicated as follows:

LITTLE VILLAGE SPECIAL SERVICE AREA COMMISSION
SPECIAL SERVICE AREA BUDGET

For the fiscal year commencing January 1, 2018 and ending December 31, 2018.

	EXPENDITURES
Service Provider Agreement for the provision of Special Services	\$421,179
TOTAL BUDGET REQUEST	\$421,179
SOURCE OF FUNDING	
Tax levy at an annual rate not to exceed 0.800% of the equalized assessed value, of the taxable property within Special Service Area Number 25	\$384,901
Fund 931	\$00
Carryover funds currently available from prior tax years	\$20,000
Late collections received by the City of Chicago attributable to the levy of the Services Tax in prior tax years, along with interest income thereon, if any.	\$16,278

SECTION 6. Levy of Taxes. There is hereby levied pursuant to the provisions of Article VII, Sections 6(a) and 6(l)(2) of the Constitution of the State of Illinois and pursuant to the provisions of the Act and pursuant to the provisions of this ordinance, the sum of \$384,901 as the amount of the Services Tax for the tax year 2017.

SECTION 7. Service Provider Agreement. The Commissioner, or a designee of the Commissioner (each, an "Authorized Officer"), are each hereby authorized, subject to approval by the Corporation Counsel as to form and legality, to enter into, execute and deliver a Service Provider Agreement as authorized herein with Little Village-26th Street Area Chamber of

Commerce, Inc., an Illinois not-for-profit corporation, as the Service Provider, for a one-year term in a form acceptable to such Authorized Officer, along with such other supporting documents, if any, as may be necessary to carry out and comply with the provisions of the Service Provider Agreement. The Budget shall be attached to the Service Provider Agreement as an exhibit. Upon the execution of the Service Provider Agreement and the receipt of proper documentation the Authorized Officer and the City Comptroller are each hereby authorized to disburse the sums appropriated in Section 6 above to the Service Provider in consideration for the provision of the Special Services described in the Budget. The Department of Planning and Development shall promptly make a copy of the executed Service Provider Agreement readily available for public inspection.

SECTION 8. Protests And Objections. If a petition of objection is filed with the Office of the City Clerk signed by at least fifty-one percent (51%) of the electors residing within the boundaries of the Area and by at least fifty-one percent (51%) of the owners of record of the property included within the boundaries of the Area within sixty (60) days following the adjournment of the Public Hearing, all as provided for in Section 27-55 of the Act, as a result of such filing the portions of this ordinance which authorize the Special Services and extend the Original Period and the levy of the Services Tax, shall be deemed to be null and void, the Services Tax shall not be levied, and the Service Provider Agreement shall not be entered into or shall be deemed to be null and void and no compensation in connection therewith shall be provided to the Service Provider.

SECTION 9. Severability. If any provision of this ordinance or the application of any such provision to any person or circumstances shall be invalid, such invalidity shall not affect the provisions or application of this ordinance which can be given effect without the invalid provision or application, and to this end each provision of this ordinance is declared to be severable.

SECTION 10. Filing. The City Clerk is hereby ordered and directed to file in the Office of the County Clerk of Cook County, Illinois (the "County Clerk") a certified copy of this ordinance on or prior to December 26, 2017, and the County Clerk shall thereafter extend for collection together with all other taxes to be levied by the City, the Services Tax herein provided for, said Services Tax to be extended for collection by the County Clerk for the tax year 2017 against all the taxable property within the Area, the amount of the Services Tax herein levied to be in addition to and in excess of all other taxes to be levied and extended against all taxable property within the Area.

SECTION 11. Conflict. This ordinance shall control over any provision of any other ordinance, resolution, motion or order in conflict with this ordinance, to the extent of such conflict.

SECTION 12. Publication. This ordinance shall be published by the City Clerk, in special pamphlet form, and made available in her office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

SECTION 13. Effective Date. This ordinance shall take effect 10 days after its passage and publication.

EXHIBIT A

Budget

Exhibit A Budget

Special Service Area # 25

Service Provider Agency: Little Village 26th Street Area Chamber of Commerce

2018 BUDGET SUMMARY

Budget and Services Period: January 1, 2018 through December 31, 2018

CATEGORY	2017 Levy		Carry Over	TIF Rebate Fund # 931	Estimated Late Collections and Interest	Total All Sources 2018 Budget
	Collectable Levy	Estimated Loss Collection				
1.00 Customer Attraction	\$46,000	\$0	\$0	\$0	\$0	\$46,000
2.00 Public Way Aesthetics	\$177,500	\$16,278	\$20,000	\$0	\$16,278	\$230,056
3.00 Sustainability and Public Places	\$0	\$0	\$0	\$0	\$0	\$0
4.00 Economic/ Business Development	\$7,500	\$0	\$0	\$0	\$0	\$7,500
5.00 Safety Programs	\$22,000	\$0	\$0	\$0	\$0	\$22,000
6.00 SSA Management	\$15,000	\$0	\$0	\$0	\$0	\$15,000
7.00 Personnel	\$100,623	\$0		\$0	\$0	\$100,623
Sub-total	\$368,623	\$16,278				
GRAND TOTALS	Levy Total	\$384,901	\$20,000	\$0	\$16,278	\$421,179

LEVY ANALYSIS

Estimated 2017 EAV:	\$90,386,332
Authorized Tax Rate Cap:	0.800%
Maximum Potential Levy limited by Rate Cap:	\$723,091
Requested 2017 Levy Amount:	\$384,901
Estimated Tax Rate to Generate 2017 Levy:	0.43%



FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

November 8, 2017

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing a scope of services, budget and management agreement for various Special Service Areas.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

SSA #25

CHICAGO November 21, 2017

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A communication recommending a proposed ordinance concerning the authority to establish Special Service Area Number 25, to approve the imposition of a tax levy, to approve the 2018 budget, and to approve the Service Provider Agreement.

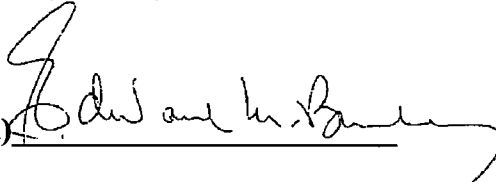
O201-7783

Amount of Levy: \$384,901

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith.

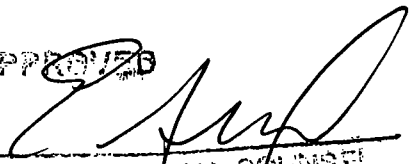
This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s)).

Respectfully submitted

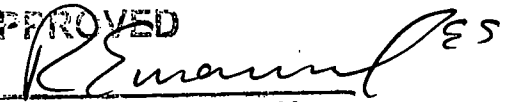
(signed) 

Chairman

APPROVED


CORPORATION COUNSEL

APPROVED


12/8/17 Mayor