

# **SSA DISTRICT PLAN**

## **Western Ave SSA #20**

*6.11.13*

# [1] EXECUTIVE SUMMARY

## [1a] Why the SSA:

The Western Avenue/ SSA #20 is being proposed for reconstitution because there is a tremendous need for economic development and additional services, such as those a Special Service Area can provide, in the 19th Ward along Western Avenue (99<sup>th</sup>-119<sup>th</sup>). The area suffers from vacancies, poorly-maintained properties, an inadequate mix of businesses, litter, lack of promotional activities and marketing and disorganized business owners.

SSA #20 Vision Statement: SSA #20 is a competitive business district that is safe, clean and aesthetically pleasing.

SSA funding is the best tool available to Chicago communities for local economic development, marketing and promotional activities, security and safety enhancements, business retention and attraction, façade improvements, technical assistance, beautification, cleaning and snow removal and placemaking.

## [1b] SSA Contacts

Sponsor Agency: Morgan Park Beverly Hills Business Association (MPBHBA)  
Address: 10827 South Western Avenue  
Phone: 773-779-2530  
Fax: 773-779-0436a  
Email: mpbhba@aol.com

The service area of MPBHBA is MPBHBA serves the South Side community of Morgan Park/Beverly Hills (89<sup>th</sup> - 119<sup>th</sup> Western on the North and South and California on the West to Vincennes on the East).

### **Executive Director**

Megan Kennedy

### **Board of Directors**

Tom Gibbons, Town Liquor – President

Julie Harrigan Mayer, Pancake House, KFC – Vice-President

George Herzog, Solution 3 Graphics – Treasurer

Megan Parrilli, TA Cummings, Little Miss Green Jeans - Secretary

Joe Esselman, Penn Real Estate

Margaret O'Connell, Beverly Bank

Tom Baffes, County Fair

Steve English, Blossom Boys

Luke Somerville, Property Owner  
 Marcia Walsh, BAPA  
 Marcia Blake, Marcia Blake, O.D.

### SSA Advisory Committee Contact Information

Member	Affiliation	Address	Wd	Phn	Email
Dennis O'Malley	Beverly Bank	10258 S. Western	19	773-239-2265	<a href="mailto:dennis@thebeverlybank.com">dennis@thebeverlybank.com</a>
Neil Byers	Horse Thief Hollow/Bus Owner	10426 S. Western	19	773-779-2739	<a href="mailto:nbyers83@yahoo.com">nbyers83@yahoo.com</a>
Barb Thouvenel	PRS Realty	10450 S. Western	19	773-233-4700	<a href="mailto:barb@prsrealtors.com">barb@prsrealtors.com</a>
Alberto Gamez	Home Run Inn/Manager	10900 S. Western	19	773-432-9696	<a href="mailto:Agamez@homeruninn.com">Agamez@homeruninn.com</a>
Chris Pappas	Property Owner	10900 S. Western	19	773-354-3087	<a href="mailto:chris.pappas@comcast.net">chris.pappas@comcast.net</a>
Tristan Angus	19th Ward	10400 S. Western	19	773-238-8766	<a href="mailto:tristan.angus@cityofchicago.org">tristan.angus@cityofchicago.org</a>
Hugh Ahern	Desmond&Ahern /Owner	10827 S. Western	19	773-779-4720	<a href="mailto:hugh@desmondcpa.com">hugh@desmondcpa.com</a>
Peg Rourke	Beacon Therapeutic/ Owner	1912 W. 103rd St.	19	773-298-1243	<a href="mailto:porourke@beacon-therapeutic.org">porourke@beacon-therapeutic.org</a>

### [1c] SSA Stats

SSA Name/#	Western Ave. SSA #20
General Boundary	All of the properties on both sides of Western Avenue from 99 <sup>th</sup> Street to 111 <sup>th</sup> Place and the West side of Western Avenue from 111 <sup>th</sup> Place to 119 <sup>th</sup> Street. This does not overlap with any other neighborhood chambers of commerce.
Wards	19
Community Area	Morgan Park/Beverly Hills
Tax Rate Cap	1.0%
Year1 Tax Rate	.447%
Year 1 Funding	\$175,219 levy
Typical Year Funding & Tax Rate	\$224,242 0.5402%
Total 2012 EAV	\$54,206,029
Western/Rock Island TIF EAV	\$39,191,004
Western/Rock Island TIF Increment	\$14,982,780
Proposed Term	15 years

### [1d] History and track record:

The Morgan Park Beverly Hills Business Association (MPBHBA) has a strong organizational history of effective and efficient programs and services on Western Avenue and surrounding communities. MPBHBA and its executive director, Megan Kennedy, will continue to maintain the current level of services to SSA #20. MPBHBA has been the Sole Service Provider for SSA #20 since 1997 and has incrementally increased the number of programs and services offered in the SSA. In addition to clean and green programs, the SSA supports banners, holiday decorations, networking events, business seminars, community directories, a new web site and business retention and attraction events and efforts.

MPBHBA was formed in 2007 in partnership with former 19<sup>th</sup> Ward Alderman Ginger Rugai, and is supported by institutional, community and public housing leaders. The Business Association and SSA #20 are supported by the current 19<sup>th</sup> Ward Alderman, Matthew O'Shea.

MPBHBA's mission is to promote and maintain the integrity of our business district in the Morgan Park/Beverly Hills community through emphasis on economic development, beautification and maintenance. High on the list of our priorities is the expansion of current businesses, attraction of new businesses and the providing top quality services and accurate, timely information to businesses and members. We work closely and network with community groups and governmental agencies to achieve these goals.

As the service provider for SSA #20, MPBHBA provides the following services:

- Stakeholder organizing – MPBHBA utilizes grassroots organizing as a tool to market and promote area programs and to facilitate networking, information sharing, and partnerships among organizations. Example: MPBHBA holds 2 annual Meet and Greet Events to encourage business networking.
- Leveraging resources – MPBHBA raises capital and secures technical assistance on behalf of direct service providers to fund projects and build local capacity and infrastructure. Example: MPBHBA recently received a grant from AT&T to fund the redesign of the web site.

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MPBHBA Western Avenue Beautification Program – In partnership with the 19<sup>th</sup> Ward Aldermanic Office, MPBHBA organized a committee responsible for the planning of a revitalization effort including: street pole painting, new garbage receptacles, vacant lot maintenance and the removal of rusty, unused street signs.

Key fiscal management measures MPBHBA will have in place include fiscal policies that govern how funds are spent, the use of a CPA for accounting, conducting an annual audit and providing financials to the Commission for their review at every meeting. MPBHBA also conducts an organizational audit each and every year.

# **[2] IMPROVEMENT AND ACTIVITY PLAN**

## **[2a] SSA Stakeholders**

A broad array of stakeholders from the community has been involved in the planning of the SSA reconstitution efforts, specifically:

- The Morgan Park Beverly Hills Business Association Board of Directors, which has led the constitution process
- An Advisory Committee of six stakeholders, business owners and property owners and residents:
  - Hugh Ahern, Desmond & Ahern
  - Tristan Angus, 19<sup>th</sup> Ward
  - Neil Byers, Horse Thief Hollow
  - Megan Kennedy, MPBHBA
  - Dennis O'Malley, Beverly Bank
  - Peg Rourke, Beacon Therapeutic
- Alderman Matthew O'Shea and staff (Tristan Angus and Marty Joyce)

## **[2b] Project Plan**

The following activities have been accomplished as part of the SSA 20 reconstitution process:

October, 2012:

- MPBHBA submitted a Feasibility Analysis to the City of Chicago Department of Housing and Economic Development (HED). MPBHBA was approved to continue serving as a sponsor agency.
- PLACE Consulting was hired to assist with the constitution efforts.

January, 2013:

- A database of all of the PINs within the proposed boundaries was generated, including the board certified assessed values, property address, county classification, exemptions, TIF base EAV, taxpayer of record and other data as required by the City of Chicago.

February, 2013:

- MPBHBA began assembling an Advisory Committee of local business and property owners within the proposed boundaries based on input and recommendations from Alderman Dowell.

March, 2013:

- The Advisory Committee had their first meeting to learn about SSAs and discuss boundaries, work plan, and budget.

April, 2013:

- The Advisory Committee had their second meeting to review the findings of the needs assessment survey and develop proposed 2013 and 2014 (typical year) work plan, budgets, tax rates and the lifetime tax cap rate.
- A meeting was held with Alderman O'Shea to discuss the work plan, budget, tax cap, and sole service provider for the renewed SSA.

May, 2013/June, 2013:

- An informal Needs Assessment Survey was conducted via the Advisory Committee members using a budgeting activity to determine program and service priorities. The results were used to develop and finalize the SSA Year One budget.
- Two community meetings were held to educate local taxpayers about the SSA. Notices about the meetings were mailed to each unique taxpayer and business owner within the SSA district. A notice of the meeting was also posted on MPBHBA's website. Alderman O'Shea's Chief of Staff was present for both meetings and Alderman O'Shea attended both community meetings.
- A legal description was completed for the new SSA.

## **[2c] Needs Assessment Survey Summary**

Alderman O'Shea began conversations with MPBHBA about reconstitution of SSA #20 in 2012.

Key steps in the outreach to the business and property owners included:

1. Early Outreach: Meetings with Alderman O'Shea, HED staff, MPBHBA Board of Directors authorization to proceed with reconstitution efforts
2. Advisory Committee: To guide the decision making process about the appropriate work plan, boundaries, budgets, tax rates, tax cap and vision for the SSA an advisory committee was formed of local business owners, property owners and community stakeholders.
3. Outreach to Businesses: MPBHBA discussed the reconstitution efforts at the Annual Meet and Greet and the Annual Open Meeting.
4. Direct Mail Notice About Community Meetings: A notice was sent to every taxpayer and business owner within the proposed boundaries about two community meetings where stakeholders could come and express their interests or concerns and have questions answered.

At the Advisory Committee meetings, each attendee reviewed the results of the online survey and mailed responses:

- 60% of respondents are satisfied with current maintenance conditions and would like the services to continue.
- 65% of respondents are interested in developing a business economic plan.
- Majority of owners/managers surveyed recognize the importance of clean, maintained business strip.
- Majority of those surveyed would like to see an increase in events, advertising and promotions to encourage business in the strip.
- MPBHBA distributed over 400 surveys via email and door-to-door in the business district. 52 surveys were returned.
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SSA #20 will continue to provide these services with excellence and with maximum efficiency.

## **[2d] Plan Approval**

There have been discussions with Alderman O'Shea about the reconstitution of SSA #20 for well over a year. MPBHBA staff and the Board of Directors felt that the organization was committed to continue these services in 2014 with the reconstitution process and thus submitted a Feasibility Study to HED in October, 2012.

Alderman O'Shea and his office were highly involved in the creation of the Advisory Committee and he or his chief of staff was present at every Advisory Committee meeting and Community Meeting.

The SSA reconstitution advisory committee was composed of a mix of business and property owners within the proposed district, a MPBHBA Board member and a community resident/stakeholder. Using their knowledge of the area, and adding to it their growing understanding of how an SSA works in Chicago, they developed the proposed budget, work plan and tax cap for the new SSA.

These were then presented to the community at two community meetings. Advisory Committee members were involved in the presentation at both community meetings. No changes were made to the proposed budget, work plan and tax cap for the reconstitution of SSA #20; they remain in this plan the same as were recommended by the Advisory Committee.

A letter of approval has been obtained from Alderman Matthew O'Shea.

Signatures of approval for reconstituting the SSA were obtained from a minimum of 5% of the property owners within the SSA boundaries.

## **[2e] SSA Boundaries**

The SSA boundaries will encompass the core of the commercial district on both sides of Western Avenue from 99<sup>th</sup> Street to 111<sup>th</sup> Place and on the West Side of Western Avenue from 111<sup>th</sup> Place to 119<sup>th</sup> Street. There is no change to the current boundaries.

The Advisory Committee of existing property and business owners from the district discussed the boundaries at three meetings and also conducted a tour of the area via car. The boundaries represent the core of the commercial district and will allow the SSA to continue to provide an efficient level of services for the business district.

One Tax Increment Financing (TIF) districts overlap the SSA boundary area. The Western/Rock Island TIF, first established in 2006 and is scheduled to expire in 2030.

A detailed map of the boundaries can be found in the appendix.

## [2f] Services/ Improvements

### Advertising and Promotions

Service	Year 1 / 2014 Scope of Work	2015-2019 Scope of Work	Recommendations for Future Years
Website	Maintain and improve SSA web site, utilize social media	Maintain and improve SSA web site, utilize social media	Consider use of Smartphone app such as SweetPerk, expand use of social media and other technology
Special Events	Sponsor 1 special event in the district	Sponsor 1 special event in the district	Sponsor additional special events, as appropriate.

### Public Way Maintenance

Service	Year 1 / 2014 Scope of Work	2015-2019 Scope of Work	Recommendations for Future Years
Sidewalk Cleaning	Renew Contract to have sidewalks swept and trash cans emptied within the SSA	Renew Contract to have sidewalks swept and trash cans emptied within the SSA	Continue
Sidewalk Power Washing	Renew Contract to have sidewalks within SSA each year	Renew Contract to have sidewalks within SSA each year	Continue

### Public Way Aesthetics

Service	Year 1 / 2014 Scope of Work	2015-2019 Scope of Work	Recommendations for Future Years
Decorative Banners and/or Holiday Decorations	Renew contract for Christmas wreaths and banner decorations	Renew contract for Christmas wreaths and banner decorations	Maintain banners and decorations, replacing as needed.

### Façade Improvements

Service	Year 1 / 2014 Scope of Work	2015-2019 Scope of Work	Recommendations for Future Years
SBIF Program	Promote the SBIF program. Continue to work with Somercor to encourage business improvement.		Continue to promote SBIF Program.

### District Planning

Service	Year 1 / 2014 Scope of Work	2015-2019 Scope of Work	Recommendations for Future Years
SSA Reconstitution	Reimburse MPBHBA 50% of the start-up costs for the SSA constitution.		Reimburse MPBHBA remaining 50%. Consider commercial corridor planning, marketing studies, zoning analyses, etc



			based on budget constraints and commission direction.
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### **Service provider direct services**

The SSA will benefit from the resources, experience and track record of MPBHBA, especially given that SSA #20 is also housed within the MPBHBA office. MPBHBA will provide :

- office space
- alarm system
- bookkeeping
- utilities
- office supplies
- office equipment lease/maintenance
- postage

Administrative management provided by MPBHBA staff for the SSA includes:

- submission of all applications, contracts, and reports as required by the city;
- tracking of commissioner tenures and city applications;
- commissioner recruitment;
- administration of all tasks around commission meetings and announcements;
- newsletters and other promotions;
- interface with city staff and local elected officials;
- response to supplemental city requirements including FOIA requests; and
- preparing for and managing annual audit.

Program management tasks provided for the SSA include:

- Select and contract outside service providers, including preparing, disseminating and reviewing RFPs, interviewing candidates, preparing reports for the SSA commission
- Oversee outside service providers for programs including sidewalk sweeping, landscaping, sidewalk power washing, holiday decorations, graphic design and printing
- Produce special event and manage print, ad, and supplies for the event
- Develop website, post information and manage social media
- Oversee sidewalk cleaning, including weekly check—ins from the crew, fielding complaints and needs from the businesses, and collaborating with our local streets and sanitation offices
- Oversee sidewalk power washing, including scheduling around events, weather, and sidewalk cafes, and addressing specific business concerns and needs
- Order holiday decoration supplies. Procure needed permits. Oversee installation and removal.
- Oversee landscaping, including annual plantings and watering as needed.
- Manage Façade Incentive program, including providing administrative support to Façade Incentive committee, promoting and distributing program materials, managing application process, managing distribution of funds and work completion, and providing updates to program materials as needed.

- Commission development, including management of required paperwork and providing information about trainings and mandatory classes.

## [2g] First Year and Five Year Budgets

The SSA 20 proposes a budget of \$181,219 for 2014. This amount was determined by the advisory committee of local business and property owners as the right amount to provide an adequate level of needed services while balancing the impact on local taxpayers.

<b>2014 BUDGET SUMMARY</b>	<b>2013 Levy</b>	<b>+</b>	<b>Carry Over</b>	<b>=</b>	<b>2014 Budget</b>
<b>CATEGORY</b>					
1.00 Advertising & Promotion	\$ 12,900	+	\$ -	=	\$ 12,900
2.00 Public Way Maintenance	\$ 61,100	+	\$ -	=	\$ 61,100
3.00 Public Way Aesthetics	\$ 51,000	+	\$ 6,000	=	\$ 57,000
4.00 Tenant Retention/Attraction	\$ 2,500	+	\$ -	=	\$ 2,500
5.00 Façade Improvements	\$ -	+	\$ -	=	\$ -
6.00 Parking/Transit/Accessibility	\$ -	+	\$ -	=	\$ -
7.00 Safety Programs	\$ -	+	\$ -	=	\$ -
8.00 District Planning	\$ 500	+	\$ -	=	\$ 500
9.00 Other Technical Assistance	\$ -	+	\$ -	=	\$ -
<b>10.00 Personnel</b>	\$ 27,754	+	\$ -	=	\$ 27,754
<b>11.00 Admin Non-Personnel</b>	\$ 15,465	+	\$ -	=	\$ 15,465
<b>12.00 Loss Collection 2.3%</b>	\$ 4,000	+	\$ -	=	\$ 4,000
<b>GRAND TOTAL</b>	<b>\$ 175,219</b>	<b>+</b>	<b>\$ 6,000</b>	<b>=</b>	<b>\$ 181,219</b>

### Five Year Priorities

The priorities of the SSA for the next five years are:

- Continue to efficiently provide high quality services
- Focus on cleanliness of sidewalks, beautification and special events, advertising and promotion activities
- As the advertising and promotion activities grow and become successful, the SSA could consider adding programs such as a Façade Enhancement Program and undertaking commercial corridor or other economic development studies. These priorities will be pursued while continuing basic clean, green and promotional services at similar levels.

An estimate of the next five year budgets, using an estimated 3% annual growth of expenses is shown in the table below, with the exception of loss collection. As the economy continues to rebound, it is expected that delinquency rates will decrease. Therefore, the delinquency amount has been kept flat from year to year.

Category	2015	2016	2017	2018	2019
Advertising & Promotions	\$12,900	\$13,287	\$13,686	\$14,096	\$ 14,519
Public Way Maintenance	\$58,750	\$60,513	\$ 62,328	\$ 64,198	\$ 66,124
Public Way Aesthetics	\$46,500	\$ 47,895	\$49,332	\$50,812	\$ 52,336
Tenant Retention/Attraction	\$1,500	\$1,545	\$1,591	\$1,639	\$ 1,688
Façade Improvements	-	-	-	-	-
Parking/Transportation/Accessibility	-	-	-	-	-
Safety Programs	-	-	-	-	-
District Planning	\$500	\$ 515	\$ 530	\$546	\$ 563
Other Technical Assistance	-	-	-	-	-
Personnel	\$27,754	\$28,587	\$29,444	\$30,328	\$ 31,237
Administration	\$15,465	\$15,929	\$16,407	\$16,899	\$17,406
Loss Collection	\$11,850	\$11,495	\$ 11,150	\$10,815	\$10,491
<b>Total</b>	<b>\$ 175,219</b>	<b>\$ 179,765</b>	<b>\$ 184,468</b>	<b>\$ 189,333</b>	<b>\$ 194,364</b>
<b>EAV with 3% growth</b>	<b>\$39,223,249</b>	<b>\$40,399,946</b>	<b>\$41,611,946</b>	<b>\$42,860,301</b>	<b>\$43,099,831</b>
<b>SSA tax rate</b>	<b>0.447%</b>	<b>0.444%</b>	<b>0.443%</b>	<b>0.441%</b>	<b>0.45%</b>

**Note about the Five-Year Budget calculations:**

To estimate a five-year budget a typical 3% annual rate of inflation was applied to the typical program budget from 2014 onwards. The annual EAV estimates are a function of an estimated 3% annual rate of growth applied to the non-frozen EAV added to the frozen EAV. Because of the effect of the overlapping TIF districts, the EAV of properties within the TIFs are frozen at their initial value when the TIFs were established. This has the effect of keeping the total rate of EAV growth less than the estimated 3% amount. The SSA tax rate is a function of the annual total budget divided by the total EAV.

## [2h] Year One Tax Rate, Lifetime Tax Cap and Impact on Property Taxes

The SSA levy will show up on a property tax bill like any other taxing district, such as the Board of Education or Park District. The SSA levy is a factor of three things: one’s assessed value (determined by the Cook County Assessor’s office), the current year state equalization factor (set by the State) and the current year SSA tax levy rate (determined by a commission of property and business owners from the SSA 20 district). Each year, the SSA Commissioners must approve a budget for the following year. This budget determines what tax rate is

needed, based on the sum total of the Equalized Assessed Value of all properties within the district.

## **How Equalized Assessed Values (EAV) are Calculated**

The Cook County Assessor's Office is in charge of determining the assessment value for each property in Cook County. One third of Cook County properties are assessed each year, so that all properties are reassessed every three years. Properties in the City of Chicago are being reassessed in 2012. An explanation of how the Assessor's Office assesses the value of a property and a search tool to look up the assessed value of a specific property can be found on the Cook County Assessor's website: <http://www.cookcountyassessor.com/>

Property taxes are calculated based on a property's Assessed Value multiplied by the Cook County State Equalization Factor. The Illinois Department of Revenue calculates a new equalization factor each year. The equalization factor is meant to even out the tax burden among taxpayers. A detailed explanation can be found from the Illinois Department of Revenue's website: <http://tax.illinois.gov/>

*Example:*

*Assessed Value (determined by Cook County Assessor) X State Equalizer for Cook County*

*Ex. EAV = \$10,000 in Assessed Value X 3.3 (Cook County Equalizer for 2010) = \$33,000*

If a property has any exemptions those are subtracted from the EAV, before taxes are calculated.

## **How the SSA Annual Tax Levy Rate is Calculated**

The SSA tax rate is calculated each year based on a budget recommended by the SSA Commissioners. The budget is determined by the cost of needed programs and services, which are outlined in the annual workplan.

*Example:*

*Annual SSA Budget / Total EAV for All Properties in the District = SSA Tax Levy Rate*

*Ex. Annual SSA Budget = \$181,219 / \$39,223,249 (EAV) = .447%*

If there are TIF districts that overlap an SSA, then the SSA, like any other taxing body, can only levy against the value of the property when the TIF district was created (also known as the frozen or base value). This is explained in greater detail below.

## **How an Individual SSA Tax Levy is Calculated**

In the State of Illinois, SSA levies are determined based on the specific Equalized Assessed Value of a property multiplied by the same tax rate for all properties within the district. Once the Equalized Assessed Value of a property is known and the SSA tax levy rate is known, one can calculate the impact on a specific property. As a taxing district, an SSA tax levy will show up on one's tax bill as a line item, similar to the School District or Park District.

Example:

*Equalized Assessed Value x Annual SSA Tax Levy Rate*

*Ex. Equalized Assessed Value = \$33,000 X 1.566% = \$516.78, depending on the needs of the community and the right balance of tax burden on taxpayers.*

**SSA #20 Year One and Typical Year Tax Rate –Noah – do we need an additional chart here?**

<b>SSA #20 Payment Analysis</b>					
<b>Property Class</b>	<b>PINs</b>	<b>EAV*</b>	<b>EAV Pre-TiF</b>	<b>Avg. Payment @ 0.46672%</b>	<b>Avg. Levy @ 0.44672%</b>
Exempt	20	\$0	\$0	\$0	\$0
Vacant	17	\$234,775	\$234,775	\$62	\$62
Residential	44	\$2,443,094	\$3,161,330	\$321	\$248
Mixed Use	9	\$1,229,445	\$1,234,739	\$613	\$610
Commercial	353	\$35,315,936	\$49,575,185	\$627	\$447
<b>Grand Total</b>	<b>443</b>	<b>\$39,223,249</b>	<b>\$54,206,029</b>	<b>\$547</b>	<b>\$396</b>

*Source: Cook County 2012; PLACE Consulting*

*\*EAV accounts for TIF*

<b>Walden SSA Typical Year Levy Analysis</b>					
<b>Property Class</b>	<b>PINs</b>	<b>EAV*</b>	<b>EAV (before TIF)</b>	<b>Proposed Levy (0.54986%)</b>	<b>Average Payment (0.54986%)</b>
Tax-Exempt	20	\$0	\$0	\$0	\$0
Vacant	17	\$246,452	\$420,185	\$1,355	\$2,310
Residential	44	\$2,564,598	\$4,372,480	\$14,102	\$24,043
Mixed-Use	9	\$1,290,590	\$2,200,375	\$7,096	\$12,099
Commercial	353	\$37,072,332	\$63,206,025	\$203,846	\$347,545
<b>Grand Total</b>	<b>443</b>	<b>\$41,173,972</b>	<b>\$70,199,065</b>	<b>\$226,399</b>	<b>\$385,997</b>

*Source: Cook County 2012; PLACE Consulting*

*\*EAV accounts for TIF*

SSA 20 expects to have a tax rate of .447%. This would be listed on a property tax bill as a taxing district. It is estimated that the 2014 SSA tax rate and tax levy could be fairly typical for the future years, depending on the needs of the community and the right balance of tax burden on taxpayers.

**How TIFs Impact the SSA Levy**

442 of the 443 total PINs within SSA 20 district are also within a TIF district. The presence of both a TIF district and an SSA district on a property does not impact how a taxpayer would calculate their property taxes; the approach outlined above applies to all properties. The presence of a TIF district does impact how much of an SSA tax levy the SSA can collect, which is explained in greater detail below. On average for the entire SSA district, for every \$1 that is paid as an SSA tax, \$0.276 is paid into overlapping TIFs and \$0.724 is retained by the SSA.

Tax Increment Finance Districts are governed by separate state statutes and function differently than Special Service Areas. An SSA is a new taxing district, where the amount

collected is only spent within the district on programs that are determined by local taxpayers. A TIF district is not a new taxing district. Where TIFs are established, property owners continue to pay their taxes as they normally would, but the taxing bodies (including the School District and SSAs) can only levy against the frozen or base equalized assessed value of the properties within the district. If the assessed value of a property has increased over time then any taxes levied against that increased value are kept in the TIF fund.

Taxpayers continue to pay their taxes based upon their Equalized Assessed Value and the total tax levy rate of all of the different tax paying bodies that overlay their property. If an SSA is created, then the SSA tax rate is added to the total property tax rate.

The SSA can only levy against the value of a property when it was first added to the TIF district (also known as the frozen or base value). The table embedded above illustrates average payments based on class code.

*Example:*

*A TIF district is created in 2000. A property named "My Business" is located in the TIF district and had an Equalized Assessed Value of \$50,000 in the year 2000.*

*In 2012, a new Special Service Area is created and includes My Business within its boundaries. The Equalized Assessed Value of My Business is now \$75,000. As a taxpayer, the owner of My Business would pay an additional property tax amount based on the current value of the property multiplied by the new SSA tax rate.*

*SSA Taxes for My Business in 2012 = \$75,000 (EAV) x 1.566% (SSA tax rate) = \$1,174.50*

*Of the total new taxes created by the SSA district, the SSA can only levy (or collect) against the value of the property when the TIF was first created, which in this example is \$50,000.*

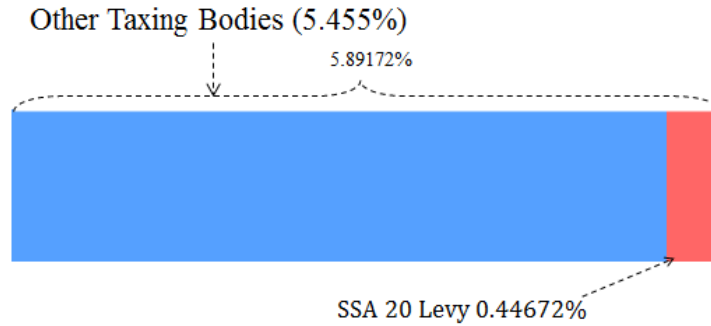
*SSA tax levy collected from My Business = \$50,000 (Base EAV in 2000) x 1.566% (SSA tax rate) = \$783*

*The remaining amount of the SSA tax payment is paid into the TIF district.*

*SSA Levy amount paid into the TIF = (Current EAV – Base EAV) x SSA tax rate = (\$75,000 - \$50,000) x 0.4811% = \$391.50*

## Difference Between Tax Rate and Increase in Property Taxes

### Impact of SSA Levy on Property Taxes



The SSA levy is a 7.59% increase from the base tax rate.

It is important to make the distinction between the annual SSA tax levy rate, which for SSA #20 is expected to be .447% in the first year, and the share of property taxes the SSA tax represents.

The adjacent figure shows how in the SSA #20 district the most recent property tax rate for 2011 was 5.455% for properties. This represents all the different taxing bodies. A new SSA tax rate of .447% would be added to the existing 5.455% for properties in the expansion area, which represents a 7.9% increase of a total property tax bill.

### SSA Tax Rate Cap

While the SSA Tax Rate could change each year depending on local needs, it can never exceed the Tax Rate Cap. The Tax Rate Cap is set when an SSA is created or reconstituted and cannot change for the life of the SSA. The Advisory Committee sought to identify an appropriate rate that would allow a typical SSA budget to grow at least at the usual rate of inflation (3%) a year, while accounting for the limits of Equalized Assessed Value appreciation due to the presence of overlapping TIF districts (see above). The table below summarizes how this analysis was evaluated.

**SSA #20  
Tax Cap Analysis**

**3% Inflation vs 3% Growth**

Tax Rate	Yr 1 Levy	Yr 15 Levy	Yr 15 Budget	Shortfall	Min Cap
0.44672%	\$175,219	\$192,767	\$273,155	-\$80,388	0.633%

**3% Inflation vs 4% Growth**

Tax Rate	Yr 1 Levy	Yr 15 Levy	Yr 15 Budget	Shortfall	Min Cap
0.44672%	\$175,219	\$192,792	\$273,155	-\$80,363	0.633%

**4% Inflation vs 3% Growth**

Tax Rate	Yr 1 Levy	Yr 15 Levy	Yr 15 Budget	Shortfall	Min Cap
0.44672%	\$175,219	\$192,764	\$315,756	-\$122,992	0.732%

Source: Cook County 2012; PLACE Consulting  
\*EAV accounts for TIF

**Considerations:**

- Allow for growth over time
- Identify need for initiatives
- Balance against burden local taxpayers can bear
- Proposed 2014 levy of \$175,219 would be \$273,155 at 3% growth in expenses after 15 years
- **1.0%** was chosen by the committee (no increase from previous tax rate cap)

The Advisory Committee evaluated several different scenarios that accounted for local factors to identify the tax cap rate that would allow the SSA to continue providing the same level of services with some small room for flexibility, while balancing the need to minimize the impact on local taxpayers.

# [3] GOVERNANCE, MANAGEMENT AND ASSESSMENT

## [3a] SSA Commission

Commissioners will be qualified if they are owners or lessees/renters of property within the SSA district. We will strive to have a balance of property and business owners, as well as geographic representation throughout the district. Residential owners will be welcome to serve on the commission.

The selection/renewal process for commissioners will involve posting notice of an opening on the SSA website along with links to the paperwork needed to apply (commissioner application, ethics forms, etc.) An announcement of openings will also be included in the Sole Service Provider’s email communications to members, community residents and other stakeholders.



Applications will be accepted at the Sole Service Provider office for 30 days, after which the application period will end. The applications will be reviewed by the Commission and recommended candidates will be forwarded to the Aldermen's offices for their review and approval.

The commission is a public body and is therefore subject to the Illinois Open Meetings Act. We anticipate that members of the SSA commission in 2014 will be: Thomas Gibbons, Julie Harrigan, Margaret O'Connell, George Herzog and Joe Esselman. Current SSA commission members are:

- Thomas Gibbons, a business owner and property renter in the SSA.
- Julie Harrigan, a property owner within the SSA
- Margaret O'Connell, a business representative within the SSA.
- George Herzog, a business owner and property owner within the SSA.
- Joe Esselman, a business owner and property owner within the SSA.

## **[3b] Service Provider Agency**

Morgan Park Beverly Hills Business Association serves the Morgan Park Beverly Hills Business Community.

Morgan Park Beverly Hills Business Association's mission is to strive to promote and maintain the integrity of our business district in the Morgan Park/Beverly Hills community through emphasis on economic development, beautification and maintenance.

Staff assigned to work on the SSA include: Megan Kennedy, Executive Director of MPBHBA, who will oversee all aspects of the SSA program and ensure compliance, liaise to Alderman O'Shea and other elected officials, attend SSA Commission meetings, provide regular reports to the Board of Directors of MPBHBA and attend all mandatory meetings and trainings. She will review budgets, work plans and mid- and end-of-year assessments.

Financial statements will be provided to SSA 20 Commissioners as well as to the MPBHBA Board.

SSA payables and receivables are processed by the accountant, who uses QuickBooks. Checks from the SSA are signed by two signers from MPBHBA. Purchases in excess of \$5,000 will require a competitive bid process that will be done through a RFP. SSA funds are kept in a separate bank account. SSA financial records are reviewed at each SSA Commission meeting and are audited annually.

### **[3c] Baseline Data and Program Assessment**

Vendors may be assessed through a variety of methods, depending on the appropriateness of the following methods relative to the program or service being provided: online surveys, door-to-door surveys, customer intercept surveys, stakeholder interviews, spot-checks, community meetings, Commissioner/Board member feedback, Aldermanic meetings, written reports and/or documentation and other methods as developed. Assessment will be a review of the program or service provided against the scope of work agreed to in the contract. Not all vendors will necessarily be assessed or evaluated nor will they be assessed or evaluated in the same manner. Equipment purchases, for example, will not require an assessment.

### **[3d] Communications**

The SSA will communicate with the public and stakeholders using a variety of methods. First, all Commission meetings are open to the public and will be held in venues that the public can access. Notice of meetings will be posted 48 hours in advance of the meetings at the location of the meeting. Notice will also be posted on the SSA website. Notice will consist of the meeting agenda. Minutes of SSA meetings will be posted after they have been reviewed, corrected, if necessary, and approved by the SSA Commission. Information will also be disseminated via fliers, posters, postcards, and other written materials as needed and available. MPBHBA has a large email list that it uses for its email blasts. Information pertaining to SSA communications will be included in the email blasts as needed or desired. The SSA will comply with the Freedom of Information Act and IL Open Meetings Act.

The SSA will take into consideration the City of Chicago Inspector General's recommendations for SSA transparency.

# [4] Exhibits

- A. SSA Feasibility
- B. List of the SSA Advisory Committee and Sponsor Agency Board and Staff assigned to the designation and management of the SSA
- C. SSA Designation Timeline
- D. SSA taxpayer list (highlights from the SSA Database and note which ones have letters of support on file)
- E. Map with parcel, ward, and TIF detail
- F. Copies of materials sent out in informational mailings
- G. Minutes of SSA Advisory Committee Meetings and Community Meetings
- H. Letters of support from aldermen
- I. Copies of media articles written about the SSA designation effort
- J. Qualifications and Recruitment/Renewal Procedures SSA Operations Plan (may include, but not be limited to: management plan, job descriptions, financial procedures, narrative of cost allocation planning, communication procedures)