

Hamilton Lakes Special Service Area



Itasca is a regional center for professional office and industry, and Hamilton Lakes is one of the region's best office communities. The combination of location, access, competitive tax rates, and amenities make it an attractive place for business. The Village of Itasca strives to have Hamilton Lakes be *the* place for business in the region.

As part of our strategies to maintain and improve the infrastructure that make Hamilton Lakes a Class A development, the Village initiated the process to create a Special Service Area for commercial properties in Hamilton Lakes for road improvements. This brochure provides information on the proposed Hamilton Lakes Special Service Area.

Special Service Areas

A Special Service Area (or "SSA") is a financing mechanism that can be used to fund a wide range of physical improvements in a defined geographic area within a municipality. This type of district allows local governments to establish such areas without levying a tax on the entire municipality. In short, an SSA allows local governments to tax and deliver services to a limited geographic area within their jurisdiction.

Municipalities are granted the authority to create an SSA through the 1970 Illinois Constitution "to levy or impose additional taxes upon areas within their boundaries in the manner provided by law for the provision of special services to those areas and for the payment of debt incurred in order to provide those special services."

The process of establishing a SSA is outlined in the "Special Service Area Tax Law" (Article 27, 35 ILCS 200/27). This process and subsequent case law form the basis for SSA implementation in Illinois.

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The proposed Hamilton Lakes Special Service Area would provide funding for road improvements to begin in Spring 2014. Road improvements in the proposed Hamilton Lakes Special Service Area include repaving Park Boulevard, Pierce Road, Windsor Drive, and Ketter Drive and related utility, storm water, and sidewalk improvements (these street improvements are outside and separate from the Elgin O'Hare Western Access project by the Illinois Tollway Highway Authority). A bond issue payable from property taxes on properties in the proposed SSA would finance the initial improvements. The proposed SSA will also provide for ongoing and future maintenance of these improvements.

At this time, the Village estimates the average debt service on the bonds is approximately \$276,800. We estimate the average annual cost for maintenance is \$130,000. Based on the proposed Special Service Area's total valuation of \$104.7 million (Tax Year 2012), the tax rate on the proposed SSA would be \$0.3883/\$100 of equalized assessed valuation (EAV). If this additional tax rate for the SSA had been levied in Tax Year 2012, the new rate would have been \$7.9413/\$100 of EAV, an increase of 5.14%. This translates to an increase of approximately \$0.11 per square foot, based on the average tax bill in Hamilton Lakes of \$2.20 per square foot.

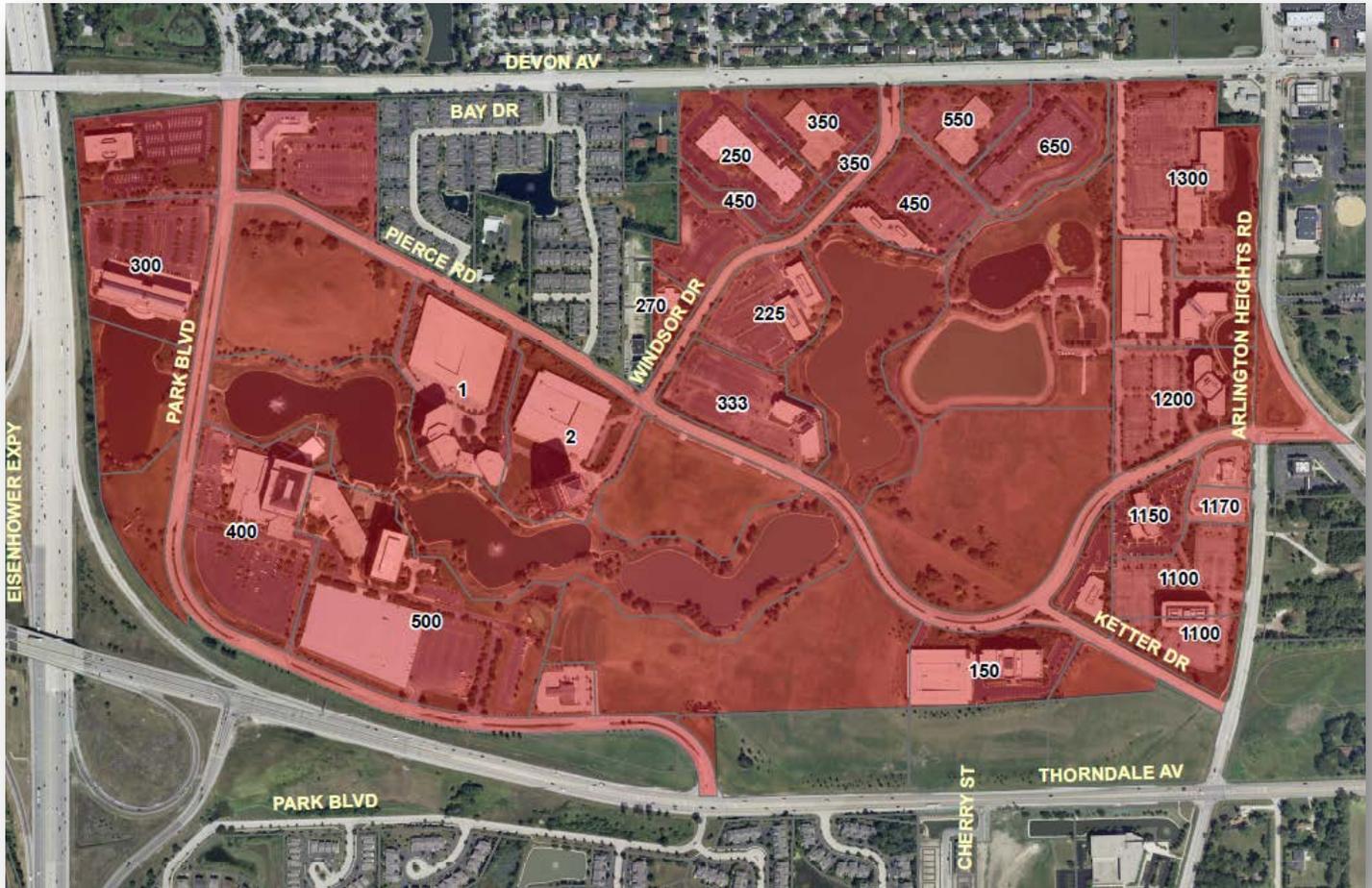
Proposed

Hamilton Lakes Special Service Area

Hamilton Lakes Special Service Area Map

Properties within the proposed Hamilton Lakes Special Service Area are shown on the map below.

Proposed Hamilton Lakes Special Service Area



The properties included in the proposed Hamilton Lakes Special Service Area are shaded in red

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Next Steps

The Village has taken the appropriate steps under state statutes to initiate the process for the creation of the proposed Hamilton Lakes SSA. Recently, the Village Board adopted Ordinance No 1665-13, which formally started the SSA's adoption (copies are available on the Village's website at www.itasca.com).

The next steps and tentative schedule for creating the proposed Hamilton Lakes SSA are as follows:

Public Notice in Newspaper **Wednesday, September 18, 2013**

The Village published a public notice in a newspaper of general circulation in Itasca.

Public Notices to Taxpayers **By Friday, September 27, 2013**

The Village will provide a notice to affected taxpayers by U.S. Mail.

Public Hearing **October 8, 2013 at 7:00 p.m.**

The Village will hold a public hearing on Tuesday, October 8, 2013, at 7:00 p.m. in the Village Board Chambers, 550 W. Irving Park Road, Itasca, IL. The purpose of the public hearing is to discuss the creation of the SSA, including the proposed geographic area, budget, services, and tax levy and the issuance of bonds.

Waiting Period **October 8 – December 9, 2013**

By state statutes, the Village of Itasca must wait at least 60 days following the last hearing before establishing the SSA. During that time, opponents are allowed to submit petitions in opposition to the establishment of the SSA. If an opposing petition is submitted to the Village Clerk within 60 days and carries the signatures of at least 51 percent of registered voters residing in the proposed SSA and at least 51% of property owners of record in the area, the SSA is defeated and cannot be resubmitted for two years.

Adoption of the SSA Establishing Ordinance **Tuesday, December 10, 2013**

The SSA establishing Ordinance may be adopted by a simple majority vote of the Village Board.

Approval of Budget and Levy **December 2013**

The Village Board must approve the SSA's annual budget and levy each year. Tax monies are received the following year by the County Clerk and can only be used for activities authorized by the SSA Ordinance.

Receive Bids for Initial Construction **March 2014**

The Village estimates that the proposed initial construction project will be advertised in late winter and construction contracts finalized by March 2014.

Begin Initial Construction Project **Spring 2014**

The Village estimates that construction will begin in April 2014 and will last for about 5 to 6 months. We hope to be complete with the initial construction project by early Fall 2014.

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The FAQ's of SSA's

- 1. How have other communities used SSA's?** The Illinois Department of Revenue has documented more than 600 SSA's in Illinois covering all types of new and existing residential, commercial, and industrial land uses. There are other communities that have used SSA's for road reconstruction and maintenance, as the Village is proposing in Hamilton Lakes.
- 2. Does the Village of Itasca have any other SSA's?** Yes, the proposed Hamilton Lakes SSA will be the Village's fourth Special Service Area. This includes a similar Special Service Area in the Spring Lakes Business Park development, which was installed to repave and maintain its streets.
- 3. Who is responsible for financing the proposed Special Service Area?** The taxpayer of record is ultimately responsible for the payment of special tax. Many property owners require tenants to pay the property taxes as part of their leases.
- 4. Why do we have to pay this proposed additional tax?** The proposed Special Service Area Tax is being collected to fund public improvements in the proposed special service area. The payments are spread over a lengthy time period to keep the annual payment manageable.
- 5. How much will my SSA tax be?** The Village estimates the average tax bill of \$2.20 per square foot will increase by about \$0.11 per square foot to \$2.31 per square foot.
- 6. Don't my regular real estate taxes pay for the streets in Hamilton Lakes?** Your real estate taxes help pay for a variety of public services. The Village's portion of the real estate tax bill is relatively small and pays for items such as police services, snow plowing, and day to day administration. The needs of Hamilton Lakes are special and beyond the Village's normal capabilities, hence the need for the proposed special service area.
- 7. How does the proposed Special Service Area affect my property's market value for real estate tax purposes?** Your property will be valued at its market value regardless of its location in a Special Service Area.
- 8. Who will bill and collect the proposed Special Service Area tax?** DuPage County bills and collects the tax in conjunction with the regular annual real estate bill (typically paid over 2 installments). It will appear as a separate line item on your tax bill from DuPage County.
- 9. Is the tax deductible for the property owner?** Please consult your tax advisor on this issue.

For Additional Information

For additional information on the proposed Hamilton Lakes Special Service Area, please contact the Village of Itasca at 630-773-0835. You can also visit the Village's website at www.itasca.com.