

# CITY OF BATAVIA

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**DATE:** December 28, 2016  
**TO:** Committee of the Whole  
**FROM:** Scott Buening, Community Development Director  
**SUBJECT:** Ordinance 17-02: Proposing the Establishment of Special Service Area Number 61 for the One Washington Place Development (NWC N. Washington Avenue and E. Wilson Street)

- 1. Summary:** Should the City approve of Ordinance 17-02 Proposing the Establishment of Special Service Area Number 61 for the One Washington Place Development at the Northwest Corner of N. Washington Avenue and E. Wilson Street.
- 2. Background:** The City Council approved of a Redevelopment agreement on September 6, 2016 for a proposed mixed use project for most of the block surrounded by Washington Avenue, Wilson Street, River Street and State Street. As part of this agreement, the City needs to establish a back up Special Service Area (SSA) that encompasses the development project. This SSA would be dormant, and would only be activated in the event Tax Increment Financing (TIF) property taxes for the redevelopment project are insufficient to pay for the payment of redevelopment bonds or required insurance premiums for the project. The SSA would be terminated once all the bonds for the project have been paid off.

The City does or will own all of the properties within the proposed SSA at the time the Council approves of this Ordinance. The Ordinance establishes a maximum levy of \$10.00 per \$100 for payment of bond repayment costs and/or premium costs for many insurance policy or bonding required if the owner fails to maintain them.

Attached is Ordinance 17-02 that would set a Public Hearing date of March 20, 2017 in front of the City Council. If no valid objection petition is received (which is unlikely since the City will own all the property within the SSA), the SSA would be established by that date, with a deadline to petition against and record of May 19, 2017. It should be noted that this is proposed as a “dormant” SSA with a zero (\$0.00) levy at this time. If in the future a levy is needed, it will require a new Public Hearing and approval by the City Council.

### **3. Alternatives, including no action if viable:**

- Approve of Ordinance 17-02 to Proposed SSA 61 with a dormant levy
- Deny approval of Ordinance 17-02 and do not establish SSA 61

- **Pros** Establishing the SSA would give the City the ability to pay off the redevelopment bonds in the event that tax increment revenues are inadequate make the required bond payments. The SSA would only pay for these bonds (or insurance if not maintained by the building owner) and would be dissolved after the bonds are paid off.
- **Cons** The SSA would potentially make units more expensive to rent if increment is insufficient to pay off the bond payments.

- **Budget Impact** The costs of establishing the SSA are being paid for by TIF revenues, and any implementation costs for a SSA levy would be assessed through the SSA, if necessary.
  - **Staffing Impact** There will be no staffing needs for the SSA other than existing staff.
4. **Timeline for actions:** If the Ordinance is passed to start the SSA process, we would follow the attached timeline. The public hearing would be on March 20, 2017 with approval of the Establishing Ordinance that same evening. The deadline for submittal of objection petitions and recording the Ordinance would be May 19, 2017.

**Staff recommendation:** Staff recommends approval of Ordinance 17-02 Proposing the Establishment of Special Service Area Number 61 for the One Washington Place Development at the Northwest Corner of N. Washington Avenue and E. Wilson Street subject to a \$0.00 levy and setting a Public Hearing date of March 20, 2017 at 7:35 PM.

**Attachments:**

1. Ordinance 17-02 Proposing SSA 61.
2. SSA 61 Map.
3. SSA timeline.

**CITY OF BATAVIA, ILLINOIS**

**ORDINANCE 17-02**

**AN ORDINANCE PROPOSING THE ESTABLISHMENT OF SPECIAL SERVICE  
AREA NUMBER 61 IN THE CITY OF BATAVIA AND PROVIDING FOR A PUBLIC  
HEARING AND OTHER PROCEDURES IN CONJUNCTION WITH THE ONE  
WASHINGTON PLACE DEVELOPMENT**

**ADOPTED BY THE  
MAYOR AND CITY COUNCIL  
OF THE  
CITY OF BATAVIA  
THIS \_\_\_ DAY OF \_\_\_, 2017**

Published in pamphlet form  
by authority of the Mayor  
and City Council of the  
City of Batavia,  
Kane County, Illinois, this  
\_\_\_ day of \_\_\_\_\_, 2017

**ORDINANCE 17-02**

**AN ORDINANCE PROPOSING THE ESTABLISHMENT OF SPECIAL SERVICE AREA NUMBER 61 IN THE CITY OF BATAVIA AND PROVIDING FOR A PUBLIC HEARING AND OTHER PROCEDURES IN CONJUNCTION WITH THE ONE WASHINGTON PLACE DEVELOPMENT**

**WHEREAS**, the City of Batavia is an Illinois home rule municipality pursuant to the provisions of Article VII, Section 6, of the Illinois Constitution, 1970, and as such may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax; and

**WHEREAS**, Sections 200/27-5, et seq. of Chapter 35 of the Illinois Compiled Statutes set forth procedures by which Special Service Areas may be established and taxes levied; and

**WHEREAS**, this ordinance is to propose the establishment of Special Service Area Number 61 providing a tax associated with the provision of special services to the area be levied; and

**WHEREAS**, the establishment of Special Service Area Number 61 and the levy of a special tax against the real estate within the Special Service Area pertains to the government and affairs of the City of Batavia; and is located in the One Washington Place Development; and

**WHEREAS**, Special Service Area Number 61 is currently legally described as follows, within the City of Batavia, (hereinafter the "Property"):

THAT PART OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 2 IN BLOCK 9 OF THE ORIGINAL TOWN OF BATAVIA, KANE COUNTY, ILLINOIS; THENCE SOUTHERLY, ALONG THE EASTERLY LINE OF WASHINGTON AVENUE TO THE NORTHERLY LINE OF WILSON STREET; THENCE EASTERLY, ALONG SAID NORTHERLY LINE, TO A POINT ON THE NORTHERLY EXTENSION OF THE WEST LINE OF THE EAST 10 FEET OF LOT 3 IN BLOCK 1 OF WILSON'S ADDITION TO BATAVIA; THENCE SOUTHERLY, ALONG SAID EXTENSION AND WEST LINE TO THE SOUTH LINE OF THE NORTH 158 FEET OF SAID LOT 3; THENCE WESTERLY, ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE WEST LINE OF WASHINGTON AVENUE; THENCE NORTHERLY, ON SAID WEST LINE TO THE SOUTH LINE OF SAID WILSON STREET; THENCE WESTERLY, ALONG SAID SOUTH LINE TO A POINT THAT IS SOUTHERLY OF THE SOUTHEAST CORNER OF LOT 3 IN BLOCK 7 OF SAID ORIGINAL TOWN OF BATAVIA, SAID POINT BEING ON A LINE DRAWN AT RIGHT ANGLE TO THE NORTHERLY LINE OF SAID WILSON STREET; THENCE NORTHERLY, ON SAID LINE TO SAID SOUTHEAST CORNER; THENCE NORTHERLY, ON THE EAST LINE OF SAID LOT 3 TO THE NORTHEAST CORNER THEREOF; THENCE NORTHERLY, PARALLEL WITH THE EAST LINE OF LOT 2 OF SAID BLOCK 7, A DISTANCE OF 10.0 FEET; THENCE WESTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 2 TO THE WEST LINE THEREOF; THENCE CONTINUING WESTERLY, ON A LINE PERPENDICULAR TO SAID WEST LINE, TO THE WEST LINE OF RIVER STREET;

CITY OF BATAVIA, ILLINOIS ORDINANCE 17-02

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THENCE NORTHERLY, ALONG SAID WEST LINE TO THE NORTH LINE OF STATE STREET EXTENDED WEST; THENCE EASTERLY, ALONG SAID EXTENSION AND SAID NORTH LINE TO THE POINT OF BEGINNING, EXCEPTING THEREFROM ALL THAT PART LOCATED SOUTHERLY OF THE SOUTH LINE OF WILSON STREET, ALL IN THE CITY OF BATAVIA, KANE COUNTY, ILLINOIS; and

**WHEREAS**, it is in the best interests of the City of Batavia that Special Service Area Number 61 be established.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Batavia, Illinois pursuant to its home rule powers as follows:

SECTION 1 - Authority to Establish Special Service Area: The City of Batavia is authorized to establish Special Service Area Number 61 pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and further pursuant to the provisions of the Illinois Special Service Area Tax Law (Illinois Compiled Statutes, Chapter 35, Paragraph 200/27-5, et seq.).

SECTION 2 - Findings: The City of Batavia Finds as follows:

A. It is in the public interest that the creation of Special Service Area Number 61 as described in this Ordinance for the purposes set forth in this Ordinance be considered.

B. Special Service Area Number 61 is located in the northeast quadrant of the City, North of E. Wilson Street and west of N. Washington Avenue. Special Service Area Number 61 covers approximately 4.07 acres. The permanent tax index numbers of the proposed Special Service Area Number 61 are 12-22-276-009, 12-22-276-010, 12-22-276-011, 12-22-276-012, 12-22-276-013, 12-22-276-014, 12-22-276-022 and 12-22-276-023.

C. That the area of the special service area is so situated that it will receive specific and unique benefit to the owners of property within, namely to pay the difference between the tax increment generated from the Project described in that certain redevelopment agreement identified as the 1 North Washington Avenue Redevelopment Agreement, dated as of September 7, 2016, by and between the City of Batavia and 1 N. Washington, L.L.C. (hereinafter the "RDA") and the bond payments when those payments are due for the bonds issued to defray the costs of the Public Improvements described in the RDA, including any shortfall created by payments due the school district as required by law, and to fund any premiums necessary to maintain insurance or bonding of the Private Improvements as described in RDA if the developer or condominium association fails to maintain the insurance or bonding. The Special Service Area is to act as a back-up in the event that these payments are not made.

SECTION 3 - Public Hearing: Tax Rate: A public hearing shall be conducted on the 20th day of March, 2017, at 7:35 pm in the City Council Chambers of the City of Batavia, 100 North Island Avenue, Batavia, Illinois, to consider the establishment of Special Service Area Number 61 of the City of Batavia, Illinois, in the territory described in the Notice set forth in Section 4 of this Ordinance. At the hearing, there shall be considered the levy of an annual tax of not to exceed an annual rate of ten (\$10.00) per \$100 of assessed valuation, as equalized, of the property in the Special Service Area. The initial proposed levy shall be an annual rate of zero

dollars (\$0.00) per \$100 of assessed valuation, as equalized, of the property in the Special Service Area. The Special Service Area taxes shall be in addition to all other taxes provided by law and shall be levied pursuant to the provisions of the Special Service Area Tax Law (35 ILCS 200/27-5 et. Seq.).

SECTION 4 - Notice of Hearing: A notice of hearing shall be published at least once, not less than fifteen (15) days prior to the public hearing in the Daily Herald newspaper. Additionally, notice shall be provided by United States mail, addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the proposed Special Service Area Number 61. The notice shall be mailed not less than ten (10) days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, notice shall be sent to the person last listed on the tax rolls prior to that year as the owner of the property.

The Notice shall be in substantial conformance with the following form:

**NOTICE OF HEARING - CITY OF BATAVIA**  
**SPECIAL SERVICE AREA NUMBER 61**

NOTICE is given that on the 20th day of March, 2017 at 7:35 p.m. in the City Council Chambers of the Batavia City Hall, 100 North Island Avenue, Batavia, Illinois, a Public Hearing will be held by the City Council to consider the establishment of a Special Service Area (SSA 61) consisting of certain portions of the City of Batavia, Kane County, Illinois.

The area is generally located in the northeast quadrant of the City, North of E. Wilson Street and west of N. Washington Avenue

The property is legally described as follows:

THAT PART OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 2 IN BLOCK 9 OF THE ORIGINAL TOWN OF BATAVIA, KANE COUNTY, ILLINOIS; THENCE SOUTHERLY, ALONG THE EASTERLY LINE OF WASHINGTON AVENUE TO THE NORTHERLY LINE OF WILSON STREET; THENCE EASTERLY, ALONG SAID NORTHERLY LINE, TO A POINT ON THE NORTHERLY EXTENSION OF THE WEST LINE OF THE EAST 10 FEET OF LOT 3 IN BLOCK 1 OF WILSON'S ADDITION TO BATAVIA; THENCE SOUTHERLY, ALONG SAID EXTENSION AND WEST LINE TO THE SOUTH LINE OF THE NORTH 158 FEET OF SAID LOT 3; THENCE WESTERLY, ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE WEST LINE OF WASHINGTON AVENUE; THENCE NORTHERLY, ON SAID WEST LINE TO THE SOUTH LINE OF SAID WILSON STREET; THENCE WESTERLY, ALONG SAID SOUTH LINE TO A POINT THAT IS SOUTHERLY OF THE SOUTHEAST CORNER OF LOT 3 IN BLOCK 7 OF SAID ORIGINAL TOWN OF BATAVIA, SAID POINT BEING ON A LINE DRAWN AT RIGHT ANGLE TO THE NORTHERLY LINE OF SAID WILSON STREET; THENCE NORTHERLY, ON SAID LINE TO SAID SOUTHEAST CORNER; THENCE NORTHERLY, ON THE EAST LINE OF SAID LOT 3 TO THE NORTHEAST CORNER THEREOF; THENCE NORTHERLY, PARALLEL WITH THE EAST LINE OF LOT 2 OF SAID BLOCK 7, A DISTANCE OF 10.0 FEET;

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THENCE WESTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 2 TO THE WEST LINE THEREOF; THENCE CONTINUING WESTERLY, ON A LINE PERPENDICULAR TO SAID WEST LINE, TO THE WEST LINE OF RIVER STREET; THENCE NORTHERLY, ALONG SAID WEST LINE TO THE NORTH LINE OF STATE STREET EXTENDED WEST; THENCE EASTERLY, ALONG SAID EXTENSION AND SAID NORTH LINE TO THE POINT OF BEGINNING, EXCEPTING THEREFROM ALL THAT PART LOCATED SOUTHERLY OF THE SOUTH LINE OF WILSON STREET, ALL IN THE CITY OF BATAVIA, KANE COUNTY, ILLINOIS.

The permanent tax index numbers of the proposed Special Service Area Number 61 are 12-22-276-009, 12-22-276-010, 12-22-276-011, 12-22-276-012, 12-22-276-013, 12-22-276-014, 12-22-276-022 and 12-22-276-023.

All interested parties will be given an opportunity to be heard regarding the formation of, and the boundaries of, proposed SSA 61 and may object to the formation of the area and the levy of taxes affecting the area.

The purpose of the formation of the SSA 61 in general is to provide special municipal services to the area including payment of the difference between the tax increment generated from the Project described in that certain redevelopment agreement identified as the 1 North Washington Avenue Redevelopment Agreement, dated as of September 7, 2016, by and between the City of Batavia and 1 N. Washington, L.L.C. (hereinafter the "RDA") and the bond payments when those payments are due for the bonds issued to defray the costs of the Public Improvements described in the RDA, including any shortfall created by payments due the school district as required by law, and the funding of any premiums necessary to maintain insurance or bonding of the Private Improvements as described in RDA if the developer or condominium association fails to maintain the insurance or bonding. The Special Service Area is to act as a back-up in the event that these payments are not made. There will be considered at the public hearing a special tax to be levied only if necessary against the real property included within the special service area.

The special tax levied shall not exceed a rate of ten (\$10.00) per \$100 of assessed valuation, as equalized, of the real property included in the special service area. The initial proposed levy shall be an annual rate of zero dollars (\$0.00) per \$100 of assessed valuation, as equalized, of the property in the Special Service Area.

At the hearing, all persons will be given an opportunity to be heard. The hearing may be adjourned by the City Council to another date without further notice other than a motion to be entered upon the minutes affixing the date and place of its adjournment.

If a petition signed by at least 51% of the electors (registered voters) residing within the proposed Special Service Area Number 61 **and** a petition by at least 51% of the owners of record of the land included within the boundaries of the proposed Special Service Area Number 61 are filed with the City Clerk no later than sixty (60) days following the final adjournment of the Public Hearing, which petitions object to the formation of the SSA, the levy or imposition of a tax or the provision of the special services to the area, no such district may be created or tax may be imposed.

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Dated this \_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
 Scott Buening  
 Community Development Director

SECTION 5 - Effective Date: This ordinance shall become effective from and after its passage, approval and publication in pamphlet form in the manner prescribed by law.

**PRESENTED** to and **PASSED** by the City Council of the City of Batavia, Illinois, this \_\_\_ day of \_\_\_\_\_, 2017.

**APPROVED** by me as Mayor of said City of Batavia, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
 Jeffery D. Schielke, Mayor

Ward	Aldermen	Ayes	Nays	Absent	Abstain	Aldermen	Ayes	Nays	Absent	Abstain
1	O'Brien					Salvati				
2	Callahan					Wolff				
3	Meitzler					Chanzit				
4	Mueller					Stark				
5	Botterman					Theelin-Atac				
6	Cerone					Russotto				
7	McFadden					Brown				
Mayor Schielke										
<b>VOTE:</b>		Ayes	Nays	Absent	Abstention(s)					
Total holding office: Mayor and 14 aldermen										

ATTEST:

\_\_\_\_\_  
 Christine Simkins, Deputy City Clerk





NOT TO SCALE



N RIVER ST

STATE ST

N WASHINGTON AVE

E WILSON ST

S RIVER ST

S WASHINGTON AVE

**PROPOSED SSA 61**

 PROPOSED AREA

 UNINCORPORATED

SSA 61 (1 Washington Place) Schedule-(11/29/2016)

January 10, 2017 (Tue)	COW Meeting to Discuss proposal
January 17 (Tue)	CC Ordinance Proposing SSA 61, establish PH date of March 20, 2017 (60 days after Proposing Ordinance)
February 28 (Tues)	Notice to newspaper advertising Public Hearing (3 days prior to publish date)
March 3 (Fri)	Notice Published for Public Hearing (15 days prior to PH not including Sat or Sun publish)
March 9 (Thurs)	Deadline to mail letters to property owners (10 days prior to PH)
March 14 (Tue)	COW to discuss Establishing Ordinance
March 18 (Sat)	Lapse of minimum of 60 days from Proposing Ordinance to Public Hearing
March 20 (Mon)	CC Public Hearing (assuming no continuance), CC to Pass Establishing Ordinance
May 19 (Friday)	Deadline to submit petitions objecting to SSA (60 days after PH close)
May 19 (Friday)	Final Deadline to Record Ordinance (for 2017 levy) (within 60 days of passing establishing ordinance)