

MEMORANDUM

TO: The Honorable Mayor and City Council
FROM: Robert R. Lehnhardt, Director of Finance/Treasurer
DATE: October 11, 2021
SUBJECT: **2021 SSA #8 Downtown Promotional & Municipal Services Property Tax Levy-Estimate**

Background

The City is required by State Statute (Truth in Taxation Act) to estimate the amount of taxes to be levied by not less than 20 days prior to the adoption of the tax levy. In addition, if the proposed levy increase is greater than 5%, the City is required to publish a notice and conduct a public hearing prior to the adoption of the levy. To meet this statutory requirement, the proposed 2021 SSA #8 Downtown Promotional and Municipal Services Property Tax Levy will be presented at the Planning Session on October 11, 2021.

2021 SSA #8 Property Tax Levy

Special Service Area #8 was established in 2018 to provide enhanced marketing and education promoting benefits and activities in the area; managing special community events and activities; parking operations and maintenance; maintenance of streetscapes; holiday and event decorations; together with aesthetic enhancements including landscape and signage/banners. The ordinance establishing SSA #8 allowed a maximum tax rate of \$0.45 per \$100 of assessed value for a maximum seven (7) levy year term.

The Downtown Wheaton Association (DWA) is requesting \$275,000 for their 2022 Budget, which is the same amount requested in 2021.

2021 Property Tax Levy - SSA #8 and TIF #2 Incremental Tax Revenue

The proposed 2021 extended tax levy totals \$278,725.66, with an SSA #8 extended levy of \$159,105.70 and \$119,619.96 estimated to be generated in TIF #2 incremental tax revenue. The proposed total is slightly above the \$275,000 to accommodate a range of EAV increases.

2021 Property Tax Levy SSA #8 and TIF #2 Incremental Tax Revenue

	SSA #8 Frozen EAV 2022 Budget	TIF #2 Incremental EAV 2022 Budget	SSA #8 & TIF #2 Total
EAV	\$ 57,248,577	\$ 43,041,025	\$ 100,289,602
Levy Amount	\$ 159,105.70	\$ 119,619.96	\$ 278,725.66
Calculated Tax Rate	\$ 0.2779	\$ 0.2779	\$ 0.2779



The proposed SSA #8 2021 extended tax levy is \$159,105.70, which is the same as the 2020 extended levy and would produce an estimated tax rate of \$0.2779.

**2021 Property Tax Levy
SSA #8
2022 Budget**

	2020 Adopted Levy	2020 Extended Levy	2021 Proposed Levy	2021 Extended Levy	2021 Extended Levy vs 2020 Extended Levy	
	2021 Budget	2021 Budget	2022 Budget	2022 Budget	Dollar Change	% Change
EAV	\$ 56,681,759	\$ 56,681,759	\$ 57,248,577	\$ 57,248,577	\$ 566,818	1.0%
Levy Amount	\$ 157,500.00	\$ 159,105.70	\$ 157,500.00	\$ 159,105.70	\$ 0.00	0.0%
Calculated Tax Rate	\$ 0.2779	\$ 0.2807	\$ 0.2751	\$ 0.2779	\$ (0.0028)	-1.0%

Property Tax Schedule

The 2021 SSA #8 Downtown Promotional and Municipal Services Property Tax Levy is required by State Statute to be filed with the County by the last Tuesday in December. The first reading of the 2021 SSA #8 Downtown Promotional and Municipal Services Property Tax Levy Ordinance is scheduled for the December 6, 2021 City Council Meeting and adoption at the December 20, 2021 City Council Meeting. The City Council has the flexibility to adopt a tax levy and abate any amount of the adopted levy later, prior to the County finalizing the property tax extensions in March. The deadline to abate the adopted tax levy would be at the March 21, 2022 City Council Meeting.