



Legislation Text

File #: 22-283, **Version:** 1

ACTION REQUESTED:

Communication from the City Manager and Corporation Counsel with a Request to ADOPT an ORDINANCE Amending the SPECIAL SERVICE AREA AGREEMENT between the City of Peoria and WESTLAKE SHOPPING CENTER, LLC.

BACKGROUND:

On July 13, 2010, the City Council created the Westlake Special Service Area for the purpose of renovating parking areas and making improvements to Rockwood Road and West Lake Avenue, as well as other reasonably contemplated improvements.

On June 24, 2014, the City Council established a Special Service Area Sales Tax pursuant to Ordinance No. 17,111, within the Westlake Special Service Area to generate sufficient funds to allow for additional improvements and a potential reduction of the real estate tax levy. Subsequently, on July 31, 2014, the Agreement between Westlake Limited Partnership and the City was amended to reflect the application of the Special Service Area Sales Tax pursuant to Ordinance No. 17,111, to the SSA financing for the Westlake Special Service Area.

On November 14, 2017, the Agreement between Westlake Limited Partnership and the City was amended to reflect the application of the Special Service Area Sales Tax pursuant to Ordinance No. 17,111 to the SSA financing for the Westlake Special Service Area.

On November 2, 2021, the Agreement between Westlake Limited Partnership and the City was again amended to reflect the application of the Special Service Area Sales Tax pursuant to Ordinance No. 17,901 to the SSA financing for the Westlake Special Service Area.

The owner of the Westlake Shopping Center has requested a third amendment to the agreement that established a Special Service Area. The proposed agreement increases the Developer's indebtedness to Morton Community Bank in the amount of \$500,000.

Passage of the Third Amendment does not increase the current SSA sales tax levy of .75%. The City does not have any liability upon this added debt or any other indebtedness of the SSA. Nothing in the Third Amended Agreement increases the life of the SSA or the period of entire indebtedness of the SSA. Nothing in the Third Amended Agreement increases or alters the boundaries or size of the SSA. Effectively, passage of the Third Amended Agreement only adds to the debt approved by the Council in 2021 which the Developer believes is needed to cover unexpected cost overruns.

FINANCIAL IMPACT: There is no financial impact to the City which is essentially acting as a conduit. The Third Amended Agreement provides that the City can charge a reasonable administrative fee to cover costs if it so chooses.

NEIGHBORHOOD CONCERNS: Not applicable.

IMPACT IF APPROVED: An additional \$500,000 would be added to the developer's indebtedness to Morton

Community Bank to cover unexpected cost overruns on a build out of a new project.

IMPACT IF DENIED: The Agreement would not be amended, and the existing agreement would remain.

ALTERNATIVES: Not applicable.

EEO CERTIFICATION NUMBER: Not applicable.

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Grow Peoria: Businesses, Jobs, and Population

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Grow employers and jobs.

DEPARTMENT: Legal