

**TO:** Mayor Richard C. Irvin

**FROM:** Trevor Dick, Assistant Director of Economic Development  
Martin Lyons, Mayor's Office of Economic Development

**DATE:** September 10, 2021

**SUBJECT:**

An Ordinance Proposing an increase to the Business District Retailer's Occupation tax within the Boundaries of the Aurora Pacifica Square Business District No. 1.

**PURPOSE:**

In order to amend a business district tax rate the City must complete three steps: 1). adopt an ordinance proposing the rate change (this item); 2). provide notice by publication at least twice of the proposed change and schedule a public hearing; and 3). adopt an ordinance authorizing the rate change (Item 21-0410).

**BACKGROUND:**

The Pacifica Square Business District was established in 2019 with a tax rate of 0.25%. The maximum rate allowable is 1.0%. The developer of the Pacifica Square Mall and all of the improvements thereof has established many new businesses in the mall and has requested that the tax rate be increased from 0.25% to 0.50%. Revenues associated with this increase will be completely devoted to the payment of private debt for this improvements as well as future plans for the second phase of the development at Pacifica Square.

**DISCUSSION:**

On September 3, the Committee of the Whole authorized the placement of Item 21-0410, an ordinance authorizing the rate change from 0.25% to 0.50% on the City Council's consent agenda. Because the implementation of this change first requires adoption of an ordinance proposing the change (this item) and a public hearing on the proposed change, Item 21-0410 will not appear on the consent agenda until the Council meeting of September 28. The required public hearing will also occur on September 28, prior to the Council's consideration of its consent agenda. In between meetings, staff will cause notice of the passage of this ordinance and the public hearing on September 28 to be published twice, as required by law.

After each of these steps are completed, staff will file the Ordinance with the Illinois Department of Revenue by the October 1, deadline for an effective date of January 1, 2021.

**IMPACT STATEMENT:**

This ordinance will allow for the continued financing and development of the Pacifica Square Mall.

**RECOMMENDATIONS:**

That the City Council approve this Ordinance as presented.





CITY OF AURORA, ILLINOIS

ORDINANCE NO. \_\_\_\_\_  
DATE OF PASSAGE \_\_\_\_\_

An Ordinance Proposing an increase to the Business District Retailer's Occupation tax within the Boundaries of the Aurora Pacifica Square Business District No. 1.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Section 11-74.3-1(1) of the Illinois Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1, et seq. ("Law") allows a municipality to determine that it is "essential to the economic and social welfare of the municipality that business districts be developed, redeveloped, improved, maintained, and revitalized, that jobs and opportunity for employment be created within the municipality, and that, if blighting conditions are present, blighting conditions be eradicated by assuring opportunities for development or redevelopment, encouraging private investment, and attracting sound and stable business and commercial growth;" and

WHEREAS, on August 27, 2019, the Mayor and City Council of the City of Aurora ("City") approved Ordinance No. 19-057, entitled "An Ordinance Designating Aurora Business District No. 1 (Pacifica Square Business District)" ("Designating Ordinance"), designating the Aurora Business District No. 1 (Pacifica Square Business District) ("Business District") as a business district pursuant to the terms of the Law; and

WHEREAS, on August 27, 2019, the Mayor and City Council of the City approved Ordinance No. 19-058, entitled "An Ordinance Imposing a Business District Retailers' Occupation Tax and a Business District Service Occupation Tax Within the Boundaries of the Aurora Business District No. 1 (Pacifica Square Business District)" ("Tax Ordinance"), in which the City levied a retailers' occupation tax, a service occupation tax and a hotel operators' occupation tax within the Business District under the Law at the rate of one percent (1%); and

WHEREAS, on September 24, 2019, the Mayor and City Council of the City approved Ordinance 19-063, entitled "An Ordinance Amending the Business District Retailers' Occupation Tax Rate, the Business District Service Occupation Tax Rate and the Hotel Operators' Occupation Tax Rate Imposed in Ordinance 19-058 Within the Boundaries of the Aurora Business District No. 1 (Pacifica Square Business District)," in which the Tax Ordinance was amended to lower the rates of the retailers' occupation tax, the service occupation tax and the hotel operators' occupation tax within the Business District under the Law from one percent (1%) to one-quarter of a percent (0.25%); and

WHEREAS, the owner of the property within the Business District has requested that the City increase the rates of the retailers' occupation tax and the service occupation tax within the Business District under the Law from one-quarter of a percent (0.25%) to one-half of a percent (0.5%); and

WHEREAS, the City is authorized to increase the rates of the retailers' occupation tax and the service occupation tax in the Business District after holding a hearing under Section 11-74.3-2(f) of the Law, 65 ILCS 5/11-74.3-2(f); and

WHEREAS, it is in the public interest that the Mayor and City Council of the City now consider an increase the rates of the retailers' occupation tax and the service occupation tax within the Business District under the Law from one-quarter of a percent (0.25%) to one-half of a percent (0.5%) for the planning, execution and implementation of the Business District plan and to pay for Business District costs, and to set a public hearing for consideration of same, as requested by the owner of the property within the Business District.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:

SECTION 1: The preambles of this ordinance are hereby incorporated as though fully set forth herein.

SECTION 2: A public hearing shall be held at 6:00 p.m. on September 28, 2021, at Aurora City Hall, Second Floor Council Chambers, 44 East Downer Place, Aurora, Illinois 60507 ("Hearing"), to consider an increase in the retailers' occupation and the service occupation tax levied in the Business District to one-half a percent (0.5%) for the planning, execution and implementation of the Business District Plan and to pay for Business District costs, as set forth in the law.

SECTION 3: Notice of the Hearing shall have been given by publication at least twice, not more than thirty (30) nor less than ten (10) days prior to the opening of the Hearing, in a newspaper in general circulation in the City, in substantially the same form as set forth in EXHIBIT A attached hereto and made a part hereof. At the public hearing, any interested person may file written objections with respect to the imposition of the proposed tax rates, and may be heard orally with respect to the imposition of the taxes.

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SECTION 4: This Ordinance shall be in full force and effect from and after its adoption and approval by a roll call vote as provided by law.