

2020 LEGISLATIVE PRIORITIES



The South Suburban Mayors and Managers Association (SSMMA), an intergovernmental agency representing 45 municipalities and nearly 750,000 residents, has one vision for the southern suburbs: **a stronger, more economically vibrant and competitive Southland**. In 2020, we pledge to work with members of the 101st General Assembly to secure resources, spur investment, rebuild our crumbling infrastructure, and accelerate transformational inclusive economic growth in the South Suburbs.

SSMMA's 2020 Legislative Priorities:

- **Expand the Economic Development Tools of the Southland**
- **Stabilize and Reinvest in Local Communities**
- **Rebuild Our Critical Infrastructure**

How do we succeed?

- **Pass the Southland Reactivation Act (HB 43)**, an innovative economic development tool that has the potential to reactivate and expand the tax base and local jobs in an unprecedented way through the re-establishment of strong industrial and commercial properties throughout the south suburbs.
- **Implement Illinois' long-awaited Capital Bill and the projects promised to Southland constituents.** The State's Capital Program and IDOT's Budget Bill included funding for roads, bridges, transit, rail, trails, water, and airport-related infrastructure projects within the Southland. We need to secure our allocations and fast track our pledged projects so that we can address the backlog of critical infrastructure projects ready to go.
- **Provide adequate funding for the Southland Development Authority (SDA).** The SDA is a next economy cross-sector institution recently launched to bring new development, and financial and management capacity to the south suburbs. With a DCEO-supported, professionally run business-like entity implementing a coordinated development plan on behalf of all of the South Suburbs, the SDA can restore the Southland to its position as a leading driver of growth for the metropolitan area and the State.
- **Tackle full pension consolidation reform.** Consolidating the assets of the more than 650 separate public safety pension funds into 2 statewide pooled investment funds was an important first step. Now we need to go further and combine administrative functions and boards in order to lower the run-away costs to municipalities and taxpayers and fully reform Illinois' pension systems.
- **Restore Local Government Distributive Funds (LGDF), Corporate Personal Property Replacement Tax (CPPRT), and protect other local revenue distributions collected by the state.** Diversions eat into resources that go to support vital public safety, transportation infrastructure, water and sewer services and all other programs and services that protect and contribute to the safety and welfare of residents.
- **Update the Fiscally Distressed Cities Law.** Not modified since 2004, the law should be modernized to provide certain home rule *and* non-home rule communities the ability to access assistance to help them meet their financial obligations while providing for the health, safety, and welfare of their residents.

What is the Southland Reactivation Act?

The Southland Reactivation Act, House Bill 43, is a pilot program for the south suburbs of Chicago that utilizes the existing South Suburban Land Bank and Development Authority and Cook County Land Banks to attract market-driven development and successfully revitalize blighted or underperforming commercial and industrial property. The goal is to spur new investment through an innovative tool within a targeted region in order to reactivate, stabilize and grow the tax base and local jobs in a sustainable manner.

Why is it needed?

Many South Suburban communities have experienced economic blight for decades and those challenges demand strong partnerships across sectors. Awarded with several Illinois Enterprise Zones, and more recently Opportunity Zones that provide a new tool for economic recovery, the Southland still lags other areas of Chicagoland and the State.

The Southland needs a mechanism that provides an incentive to rebuild in targeted areas due to its excessively high property tax rates and the inability to compete with neighboring Indiana. Without the ability to address the high property tax burden within the South Suburbs, properties will continue to languish and remain blighted.

The Southland Reactivation Act marries innovation, policy reform, smarter investment decisions and most of all, collaboration between agencies, businesses and government in a five (5) year pilot initiative to spur private sector investment. It is a pathway for providing an inducement to developers and private sector investors to invest in targeted areas within the South Suburbs—known for its assets and location but not often able to compete with neighboring Indiana for new investment due to high tax rates.

Legislative Ask:

- » Sponsor and sign on to the Southland Reactivation Act in the House and the Senate. Work hard to ensure bipartisan support and passage of legislation that establishes a pilot program that allows Southland municipalities to “reactivate” their own tax-exempt parcels to bring them back on the tax rolls, contributing much needed property tax revenues to all taxing bodies and revitalizing blighted properties.
- » Advocate for this innovative measure which — AT NO COST TO STATE — provides the south suburbs with a competitive edge in attracting private sector investment and new jobs to distressed or obsolete industrial and commercial sites. A new economic development tool for the Southland will catalyze the turnaround of decades long disinvestment. Local “reactivation” will grow the tax base and may serve as a model for other regions.

Implement and Rebuild Southland Capital Infrastructure

Implement Southland Capital Bill and projects.

The State's infrastructure has been in a condition of disrepair due to years of underfunding and neglect. Illinois' and the south suburban road, bridge, transit, rail, air, and water infrastructure have long needed revitalization in order to protect the investments made by past generations. Moreover, our Southland area and the Chicago region has lagged other major metro areas across the United States and abroad in air capacity. It is critical that the South Suburban Airport and I-57 corridor improvements projects identified within the Capital Bill enacted last year come to fruition so that our region's residents and businesses have access to a safe, reliable, convenient transportation system and the economic opportunity it brings.

Secure Capital Bill commitments and fast track local and regional critical infrastructure projects ready to go.

Both Illinois' and the Southland's long term economic success is dependant on our ability to maintain and expand our roads, transit, freight rail, and aviation systems, and other valuable infrastructure assets. As the Southland is the nation's crossroads, with road and rail corridors serving the Chicago and Midwest markets, our collective economic futures are dependent on maintaining and improving these strategic assets. Illinois Department of Transportation and state leaders should prioritize the backlog of critical infrastructure projects in our region and modernize and expand these assets as they are crucial to rebuilding and driving higher levels of economic activity.

The Capital Bill also included important public infrastructure projects related to water, stormwater, sewage treatment and other facilities that serve municipalities and protect the health and safety of residents. These, too, need to move forward without delay. Without implementing these important projects we're not adequately and responsibly attending to the local funding priorities and growing capital demands throughout Illinois, nor planning for the necessities of communities and investing in our future. Worse, we put our citizenry at risk.

Legislative Ask:

- » Implement the Capital Infrastructure Investment Program enacted last year by the General Assembly.
- » Support the South Suburban Airport. Allocate \$12M for an updated environmental impact study and completion of other requirements needed to obtain final approval from the Federal Aviation Administration for the project.
- » Ensure Southland projects have sufficient resources committed and appropriated. Our critical roads, bridges, transit, rail, air, open space and trails, and water infrastructure projects have to come to fruition in order to support our region's strategic economic growth and long-term success.
- » Identify and advance Phase I funding for crucial projects, such as the I-57 corridor improvements, so that we are competitive with neighboring states and regions and responsive to current and future infrastructure demands. The state's past practice of inconsistent funding cycles and capital programs has not kept pace with system needs, nor supported strategic economic growth and multimodal investments.
- » Prioritize additional resources and direct state and regional funds to disinvested areas—like the Southland—to spur inclusive growth. Being strategic and supporting areas that have lagged behind creates a pathway to economic success and attracts market-driven private sector investment that supports economically competitive, socially equitable, and fiscally sustainable growth.

What is the Southland Development Authority?

The Southland Development Authority (“SDA”) is a new vehicle designed to grow the economy of the South Suburbs. The SDA, a next generation, first of its kind in Illinois public-private partnership, will promote the large scale investments needed to propel the Southland forward and access new sources of capital and financial tools to make investments in the region.

The SDA itself is a not-for-profit organization. A structured partnership with the South Suburban Land Bank and with municipalities, it combines the best of public sector powers and private sector nimbleness, but includes a finance entity that brings sophisticated financial resources and technical capacity for:

- Coordinating Industrial revenue bonding
- Opportunity Zone finance
- New Markets Tax Credits
- Assembling additional place-based incentives

The Southland Development Authority creates new capacity and \$\$s to transform the Region:

- Gives businesses and investors a single point of entry for speed and efficiency
- Will be a lead partner with other developers, investors, and stakeholders in jumpstarting economic growth for the entire region
- Harnesses powers and finance abilities beyond the reach of any individual village to undertake transformative, large-scale investments
- Creates equity and opportunity for populations and communities left behind
- Jumpstarts a stronger, more economically vibrant and competitive Southland

Why is the Southland uniquely ready to attract and spur Inclusive Growth?

- Over half a million people; \$16B in economic outputs; 20,000 businesses and 130,000 jobs
- South Suburbs remain asset-rich, housing 20% of Cook County’s population and 15% of businesses
- Southland is home to a vast network of roads and rail lines and other vital infrastructure
- Strengths in TD&L; Metals Manufacturing; Chemical and Materials Manufacturing; Food Processing and Packaging – valuable not just to South Suburbs, but critical drivers of metro and state economies

Legislative Ask:

- » Appropriate \$1 million in FY 2021 DCEO budget to support and operationalize the SDA — supporting Illinois’ economic development objectives preparing underserved communities for business development and growth.
- » Create the Southland Development Fund - \$5 million in discretionary capital to drive new investment deals.
- » Sign letter to Governor to make SDA funding a priority in 2020.

Why is true reform and full consolidation of public safety pension funds needed?

Consolidating the assets of the more than 650 separate public safety pension funds into two statewide pooled investment funds was an important first step. Now we need to go further and combine administrative functions and boards in order to lower the run-away costs to municipalities and taxpayers and fully reform Illinois' pension systems.

What's at stake?

Soaring public safety pension costs are at a crisis level and threaten the fiscal solvency of State and local governments. While the anticipated consolidation of assets should provide expanded investment opportunities, particularly as compared to underperforming pension funds, maintaining 650+ municipal public safety pension systems and the equivalent boards and their respective administrative costs are unsustainable. Not only are public safety costs rising but available municipal revenues are being further diverted away from funding other important programs and services intended to secure the health, safety and welfare of municipal residents. Combining administrative functions among public safety pension funds would immediately reduce administrative costs and result in savings to municipalities and taxpayers without altering existing benefit levels for existing employees, including current police officers and firefighters.

At a time when both the state and local governments have constrained local revenues, state lawmakers, in coordination with local partners, must work diligently and expeditiously to successfully complete the promise of Governor Pritzker and tackle full reform and consolidation of local public safety pension funds. Working together, without cutting benefits, Illinois will make a huge competitive step forward by finally being able to reduce the burden of local pension costs.

Legislative Ask:

- » Reconvene the Governor's Pension Consolidation Task Force and begin discussions of "Step II" pension consolidation plans.
- » Support reform and consolidation of the downstate and suburban municipal police and firefighter pension funds in a manner that reduces the long-term financial obligations to municipal employers and protects the solvency of the systems for participating employers.
- » Hold firm and decry any legislation that tries to expand employee pension benefits or "sweeteners" that drive up costs and ultimately cost up costs to local governments eliminates the practice of "pension spiking" involving vacation, sick time and longevity pay and other benefits sweeteners.
- » Support cost-saving reforms to the Public Safety Employee Benefits Act and adopt the federal definition of "catastrophic injury."

Why is protecting Municipal Revenues important?

With the costs of pensions and essential local services increasing, municipalities now more than ever need stable, predictable access to local revenues to cover local expenditures. Local government provides essential services to residents and businesses, delivering vital municipal services like police and fire protection, critical water and transportation infrastructure and maintenance, garbage pick-up, snow removal and more—all services that impact the local quality of life for residents and the attractiveness of the community for business investment.

What is the current problem?

Diversions of state-shared revenues such as Local Government Distributive Fund (LGDF), Corporate Personal Property Replacement Tax (CPPRT) and cuts to local revenue distributions – as well as the State’s Sales Tax Administrative Fee — are eating into revenues that go to support public safety, transportation infrastructure, water and sewer services and all other programs and services that protect and contribute to the safety and welfare of residents. This is impairing the quality of life for Southland residents and is worsening the conditions of cash-strapped communities driving them toward insolvency. Diverting local revenue creates the untenable situation of subjecting local residents to service reductions and potentially higher taxes and fees needed to balance budgets and maintain core services.

Legislative Ask:

- » Opposed any diversions of revenue that is collected by the state on behalf of local governments.
- » Restore previously-diverted Corporate Personal Property Replacement Tax and Local Government Tax Fund revenues.
- » Reduce Sales Tax Administrative Fee on the collection of locally-imposed sales taxes from 1.5% to 1% for FY 2021.
- » Support automatic appropriation authority for Local Funds, making all revenues collected by the state on behalf of municipal governments subject to continuing appropriation authority. This includes Municipal Motor Fuel Tax (MFT), video/casino gaming, Use Tax and 9-1-1 revenues.
- » Exempt MFT disbursements and other local pass-thru revenues distributed by formula from GATA. This includes MFT, PPRT, LDGF, and the Transportation Renewal Fund (TRF).



The Association is composed of **forty-five (45)** municipal governments located in southern Cook and Will Counties representing a population of nearly **750,000**. The Mayors and Managers of the member communities form the Board of Directors for the SSMMA organization. This year's officers are:

- President Tyrone Ward, Mayor, Village of Robbins
- Vice President Robert "Bob" Kolosh, Mayor, Village of Thornton
- Secretary Ron Gardiner, Mayor, Village of Glenwood
- Treasurer Eugene Williams, Mayor, Village of Lynwood

This Legislative Program reflects the collective consideration and position of member municipalities. In many instances the policies are coordinated with other municipal organizations. With the support of the General Assembly, SSMMA's consensus agenda can put Southland communities on the path to a more economically competitive, socially equitable, and fiscally sustainable future. Our goal is to not only address the needs of municipalities and today's residents, but to provide solutions to existing challenges so that future generations within our communities will also thrive. Decisive action today means Southland communities unleash their economic potential and flourish tomorrow.

SSMMA looks forward to working with Governor Pritzker and with state, federal and county legislators this year, both on items contained in our SSMMA Legislative Program, as well as other issues that may arise. Please contact Legislative Chairman Mayor Richard Reinbold or Executive Director Kristi DeLaurentiis if you have questions about the 2020 Policy Agenda or our SSMMA communities. Thank you.

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SSMMA REPRESENTS THE COMMUNITIES OF:

- ALSIP · BEECHER · BLUE ISLAND · BURNHAM · CALUMET CITY · CALUMET PARK
 CHICAGO HEIGHTS · COUNTRY CLUB HILLS · CRESTWOOD · CRETE · DIXMOOR
 DOLTON · EAST HAZEL CREST · FLOSSMOOR · FORD HEIGHTS · GLENWOOD
 HARVEY · HAZEL CREST · HOMEWOOD · LANSING · LYNWOOD
 MARKHAM · MATTESON · MIDLOTHIAN · MOKENA · MONEE
 OAK FOREST · OLYMPIA FIELDS · ORLAND HILLS · ORLAND PARK
 PARK FOREST · PEOTONE · PHOENIX · POSEN · RICHTON PARK
 RIVERDALE · ROBBINS · SAUK VILLAGE · SOUTH CHICAGO HEIGHTS
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