

[Taxing district slams businesses](#)

DAVID ROEDER

droeder@suntimes.com

Last Modified: Dec 8, 2010 03:04PM

The City of Chicago really isn't trying to chase small businesses away from the needy West Pullman community. But the business owners can be excused for thinking that it is.

Their crisis in faith arrived in November with the property tax bill, payable by Dec. 13. These were the dreaded "second installment" bills for the year. Chicago homeowners and merchants schooled in the process know to expect sometimes big changes in the year's second and last tax bill.

A cluster of businesses along South Halsted did not, however, expect bills to more than double from what they paid earlier this year.

Gary Ettema and Bonnie Sutherland, siblings who run Action Auto Rebuilders Inc. at 11934 S. Halsted, said taxes on their two buildings rose from about \$11,000 for the first installment to \$29,000 in the latest one.

"We've lost a lot of sleep over this," Sutherland said. "I haven't taken a paycheck out of here all year to keep this place going, and now this happens. It's so unfair."

Olivia Ramsey runs a day-care center out of a building she owns with her sister at 12803 S. Halsted. Their latest bill was \$11,200, compared with \$4,600 earlier this year. "You try to set aside money to upgrade or even to provide bonuses for the staff, but you get hit with this and you're thinking, "Where am I going to get this money from?" "

Is it the Cook County assessor's fault? Did Mayor Daley demand a big tax increase? Nope. The problem is no further than the office of the alderman for West Pullman, Carrie Austin of the 34th Ward.

I know of seven other businesses in the community with similar tax increases, and their bills have in common a change in the fine print. Most of the increase goes straight to a taxing agency that wasn't there before. It's called Chicago Special Service Area 46, and it leads to Austin and to a neighborhood organization, the Far South Community Development Corp.

These SSAs, as they're known, are special taxing districts backed by aldermen, who are supposed to get consent of the property owners. They are for businesses to charge themselves for services beyond what the city provides, such as landscaping or frequent street cleaning. City officials said Austin advocated for the district, believing it would help improve the appearance of her business districts. Austin's thoughts are unknown, because she did not return several calls made since last Wednesday.

SSA taxes are collected only within specified boundaries, a community group runs the program and the budget is reviewed by the City Council.

The Far South Community Development Corp. runs SSA 46. The City Council appointed it to the job in May and approved a \$775,000 budget for the program, with the biggest line item being \$317,000 for enhanced security. Arba Houlden Jr., executive director of the group, said private security already is at work, and he described the overall campaign as a “clean and green” effort for the businesses. He referred other questions to the city.

Gina Caruso, assistant commissioner of the Department of Community Development, said Austin followed protocol, holding six community meetings and a public hearing about the SSA. Affected property owners were notified, she said. “That all gave us a degree of confidence that the neighborhood supports this,” Caruso said.

Three property owners I interviewed said they had no advance notice of the SSA. One of them is Ettema, of the car repair shop, who serves on the board of the community group that runs it.

Ray Fakhouri, who runs a strip shopping center at 11601 S. Halsted, also said he received no notice, so he was baffled when his second-installment bill nearly doubled to \$88,000. “I was never notified. Yet, when the city has a bill, they know where to find you,” Fakhouri said.

Andrea Raila, a property tax consultant who is seeking to represent the Halsted businesses, said she’s trying to arrange an emergency meeting with everyone involved. She said that North Side SSAs she knows account for less than 6.8 percent of the total tax bill. West Pullman’s SSA takes a 30 percent share of the bill, almost as much as the Chicago schools. “You can’t ask these people to put out that 30 percent. They’ve been hoodwinked,” she said.

Caruso insisted there is a mitigating factor. She said the SSA won’t need so much money next year, so the charge will almost drop off the bills due a year from now. Yes, a city official is promising that taxes will go down. As for the current bill and making the next payroll, West Pullman businesses are on their own.

[West Pullman businesses kick special services district to curb](#)

DAVID ROEDER

droeder@suntimes.com

Last Modified: Jan 19, 2011 02:34AM

The businesses in West Pullman that were threatened with extinction by taxation have been heard. The community's alderman, Carrie Austin of the 34th Ward, is moving to repeal a special service district that caused the businesses' property tax bills to skyrocket.

The problem particularly hit businesses along South Halsted. I saw bills for several properties that doubled or nearly tripled for the most recent installment of the bills, due last Dec. 13, with the increases mostly traced to the new taxing district. Business owners said that with times already hard in a neighborhood plagued by crime, the higher taxes could force them to shut down.

Austin championed the district, called Special Service Area 46, to provide security and beautification for business strips in her ward. At a community meeting Thursday, Austin publicly addressed the controversy for the first time.

"We created this in order to be a helpmate to the businesses," Austin told business owners and community residents summoned to discuss the matter. But she said that once the tax bills arrived, she realized something was badly amiss. "Had I known in advance that that would have occurred, I would have dispelled it [the district] myself."

Austin said she had introduced an ordinance to repeal SSA 46 and expects the City Council to vote on it Feb. 9. But she also wants to keep the goal of neighborhood improvement alive and asked the property owners to consider a cheaper version of the SSA. She's asking property owners to sign a petition for or against establishing an SSA.

She said she had expected a typical business to see a tax hike of perhaps \$1,500 to pay for the enhanced services. Many, however, saw an increase in the tens of thousands.

Austin said the city hadn't been able to calculate the impact of a higher multiplier, a state-ordered increase in all Cook County property assessments.

Most business owners said they were happy with Austin's decision but want to make sure an expensive taxing district doesn't come back in some other form.

"I have no criticism of the idea. It's just unaffordable as presented," said Thomas Jundanian, president of the rug dealer K.A. Pridjian & Co. at 11600 S. Halsted, who said his most recent bill nearly doubled.

“I’m happy we’re not going to be taxed out of existence,” said Gary Ettema, an owner of Action Auto Rebuilders Inc. at 11934 S. Halsted. “I think Ms. Austin’s heart is in the right place.”