

GAZETTE

CHICAGO

Abolish TIFs now, the CivicLab urges; give the money to schools, parks, libraries

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<https://tinyurl.com/Gazette-Abolish-TIFs-coverage>



Tom Tresser, being interviewed by Hard Lens Media, along with Jonathan Peck, announced the CivicLab's effort to completely eliminate TIFs in Chicago.

The Tax Increment Financing (TIF) program in Chicago harms the blighted communities it was designed to help and benefits richer neighborhoods, officials of the CivicLab said in announcing a campaign to abolish TIFs.

CivicLab declared that TIFs are, “harmful, unfair, racist, and beyond repair” in a statement and at the organization’s 78th public forum and Future of Chicago lecture, held at the University of Illinois at Chicago (UIC) on Oct. 16. It further declared that “City services have been cut all along” because of property tax money diverted to special accounts designed to improve communities.

After researching the impact of Chicago’s TIF program for six years, the CivicLab launched the TIF Elimination Project and called for distributing the \$1.5 billion in TIF funds to schools, parks, libraries, and essential City services. It created an online petition directed at Mayor Lori Lightfoot and the Chicago City Council that can be found at <https://tinyurl.com/End-TIFs-Now> and <https://tinyurl.com/End-TIFs-Action-Center>.

“TIFs are racist,” preying on African Americans and Hispanics, said the CivicLab’s co-founder and vice president Tom Tresser “TIFs must be abolished. They cannot be fixed. They are a big deal all over the City of Chicago. They suck up property taxes,” with the biggest victim being the public school system with its largely minority student population, which should receive the largest share of property taxes, he said.

Chicago established the first TIFs in 1986 under Mayor Harold Washington. Since then, the number of TIFs has grown to 145, encompassing many affluent areas including the Loop.

Jonathan Peck, CivicLab president and CEO, said the \$1.5 billion in TIF accounts could ease significantly the City’s budget deficit of more than \$838 million.

‘Massive, corrupt scheme’

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—Tom Tresser, vice president, CivicLab

“Over the past several years we at the CivicLab have illuminated TIFs and exposed this massive, corrupt scheme cloaked in benign rhetoric of helping marginalized and blighted communities,” Peck said. “We see this program as a strategic and calculated and targeted attack to displace hundreds of thousands of African Americans out of Chicago, all while enriching extremely wealthy developers and the businesses and affluent movers and shakers of this city. A critical result of this has been the public subsidization of the hyper affluent North Side and Loop communities.”

Tresser said, “TIFs are secretive, corrupting, starving public education, showering wealthy developers with hundreds of millions of public dollars, perverting the process of community development, and are fundamentally anti-distributive. And for these reasons we assert that TIFs are racist and must be shut down.”

He added that TIFs are noted for deals done quickly, and “corrupt, with conflicts of interest and bribery,” creating a culture of “how can I get mine? In addition, they hurt genuine attempts at economic development.”

“Billions of dollars have been siphoned off from Black and Brown neighborhoods for downtown,” Peck said, adding that TIFs “starve the schools.”

In a statement, the CivicLab stated that “The plague of TIFs follow in a long line of majority-imposed policies on Black and Brown communities that are designed to keep them down, bleed them, fleece them, and make advancement impossible in America and Chicago.”

The statement also noted, “We make this connection: slavery > Jim Crow > redlining > segregation > disinvestment > urban renewal > contract buying > predatory lending/credit deserts > TIFs/privatization. Chicago’s communities of color bear witness to the harms of these policies—persistent poverty, homicide, unemployment, health outcomes and life expectancy, school closings, militarization of their communities, racial profiling, and lack of affordable housing.”

“I pledge to you that we will continue to speak truth to power and will do everything possible to shut down this racist, unjust slush fund called TIFs,” Peck said, appealing to Chicagoans to “join us in this worthy endeavor, and together we can create a more fair and just city for all of our children, youth, and families.”



The CivicLab’s TIF abolishment logo urges ending the “slush fund.”

Simpson advocates reform

Dick Simpson, a UIC political science professor, former independent alderman, and host of the forum, said he is not calling for abolishing TIFs outright. Rather, he wants TIFs “only in blighted areas—not LaSalle Street,” Simpson said.

“I favor major reform of the TIFs,” Simpson said, and like CivicLab officials, he sees TIF changes as a way to eliminate some of the City’s budget deficit. He predicted the City Council will examine the issue and “will draw off” some TIF money for other purposes.

Some people at the UIC forum, mostly students, signed petitions calling to abolish TIFs.

Favoring Simpson’s view, student Taylor Holmes said, “It is an issue that needs to be addressed,” but she believes the City should restrict TIFs to economic development.

Tresser wrote the book *Chicago is Not Broke*. Simpson has written several books, including *Twenty- First Century Chicago and Corrupt Illinois: Patronage, Cronyism, and Criminality*. Tresser said he would like to put Simpson “out of business” by eliminating the practices Simpson detailed in the latter book.

In her budget address Oct. 23, Lightfoot acknowledged a TIF surplus. From that surplus, schools will get \$163 million, with another \$31 million going toward the City’s \$838 million budget deficit. Where the rest of the TIF surplus money will go has not been revealed. She said she will close five TIFs, but did not disclose which ones.

For more on the CivicLab, log on to www.civicl原因ab.us or call (773) 770-5714. For Simpson, email simpson@uic.edu.

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Editorial

Mayor Lightfoot's 2020 budget plan doesn't go far enough; eliminate the City's TIF fund and end this unfair, unjust, classist practice right now

November 1, 2019

<https://tinyurl.com/Gazette-End-TIFs-Editorial>



The CivicLab's TIF abolishment logo urges ending the "slush fund."

Mayor Lori Lightfoot on Oct. 23 stood before the City Council and offered her 2020 City budget plan. In August, she braced Chicagoans for what was coming when she announced a whopping inherited deficit of \$838 million. We knew this was going to be a very heavy lift. We didn't expect the mayor to have answers for every budget problem. We had hoped, however, for a more

progressive approach.

One can thank former Mayors Rahm Emanuel and Richard M. Daley for what brought us to this moment and bemoan their reliance on toxic Wall Street loans (both); selling off City assets (Daley); snuggling up to rich developers and other self-interested campaign contributors (both); kicking the City pension payments down the road (Daley); spats with the Chicago Public Schools, police, and fire unions (Emanuel); and love for Tax Increment Financing Districts (both). A lot of water has passed under this bridge, and the City is trying to figure out how to keep it from overflowing. We can do nothing now about how we got here—all we can do is share the sacrifice needed to bale out of this mess.

Lightfoot's message offered more compassion than Emanuel ever did for those who least can afford carrying the burden of the City's escalating debt. She spoke about helping the middle class, shoring up our educational system and mental health services, enacting police reform and providing better training, and stemming violence in our communities.

As *Gazette Chicago* went to press, the battle lines were being drawn. While she spoke that morning about her budget plans, the mayor could hear shouts of protest outside City Hall from Chicago Teachers Union members and their supporters. The next day, 15th Ward Alderman Raymond Lopez criticized the mayor on her "zero-based budgeting" process. One of Lightfoot's earliest and most frequent critics, Lopez blasted the mayor, charging she asked certain departments to use zero-based budgeting while the Office of the Mayor went a different route and actually increased its budget by 63%, from \$7.2 million to \$11.8 million. We are certain the back and forth will go on until the City Council ratifies the budget, sometime before Dec. 31.

The mayor argued that "structural solutions" such as merging departments and consolidating services will save \$150 million, with the total savings and efficiencies amounting to \$538 million.

We are pleased that 3rd Ward Alderman Pat Dowell, who serves as the mayor's budget chairman, will shepherd us through the challenges ahead. Dowell offers a steady hand and a calm voice under pressure. We wish her, the mayor, and the rest of the City Council well as they complete this arduous task.

While we're passing out well wishes, let's ask the State Legislature and Governor JB Pritzker to heed the mayor's request for assistance on several critical budget items. They include approving reforms to Chicago's "real estate transfer tax" on higher priced homes bought and sold (which would bring in \$50 million in 2020 and \$100 million every year thereafter); restructuring taxes on a

Chicago-based casino to make it more attractive for investors; and the granddaddy of them all—State support to pay down the enormous deficits of the four City pension programs. That debt now stands at a staggering \$30 billion.

So, where did the mayor hit a home run and where did she strike out? Let's tally up the dingers first:

- She listened, based on the five City-wide town hall budget meetings she held.
- She found improvements in debt collection (saving \$25 million) while peeling back pernicious penalties for infractions such as being late on buying a City sticker.
- Lightfoot also recommended a Ground Transportation Tax on downtown area rideshares (Uber and Lyft) on weekdays that will result in \$7 million more in revenue. She understands the multi-millionaire owners of these companies are keeping the bulk of the profits for themselves and not sharing it with their employees, all while decimating the taxi industry. Good for revenue streams, but a hardship for rideshare users and employees.
- The mayor would launch INVEST South West to funnel \$750 million into under-invested neighborhoods over the next three years.
- She wants to find a pathway to a \$15 minimum wage that will arrive in 2021—four years before the State mandate.
- Lightfoot also would create a Utility Billing Relief program for some 20,000 households sagging under the weight of Emanuel's plan to quadruple City water bills over a four-year period.

Where did the mayor's budget swing and come up empty? How about:

- Raising \$163 million in revenues from emergency services reimbursements. This is not a certainty, and it's a whole lot of the donut hole being wrapped up in one strategy.
- Increasing parking meter fees downtown and more locally, in the West Loop. It will cause more angst but will bring in \$7 million more in revenue.
- Investing \$9 million to expand community outreach. This idea might not be a strikeout; it might just be a long fly ball to the warning track. The question is, does it do enough to stem street violence in our hardest hit communities?
- Garnering \$200 million through debt refinancing. Okay, maybe this isn't a whiff either, based on friendlier interest rates, but just as *Gazette Chicago* got agita over Daley and Emanuel running to Wall Street for loans to fill budget gaps, we urge Mayor Lightfoot to make this a "one and done" strategy.
- Increasing funding for homeless prevention by \$5 million—described as a 36% increase. Is this enough? With all the homeless people on street corners and highway intersections begging for loose change, and lining up at local shelters, we doubt it.
- Adding \$5 million to the Low-Income Housing Trust Fund—increasing the number of affordable units for Chicago's lowest-income renters. Again, this figure doesn't seem adequate. There's no mention of a Chicago Housing Authority surplus or plans for CHA to build more affordable housing in Chicago in 2020. A lack of affordable housing is an ongoing crisis—one that even the Chicago Teachers Union waded into (fairly or not) as an argument for its walkout.
- Absolutely no mention of a transaction tax on securities sales and purchases. This progressive mandate would bring in a startling \$11.6 billion annually. Yet, Mayor Lightfoot, who ran on a progressive agenda, is going nowhere near this revenue stream. Disappointing to say the least.

What's even more disappointing in the Mayor's budget? How about this:

"And this budget makes key reforms to Chicago's Tax Increment Finance program...this year's additional surplus to the City is \$31.4 million. But more than that, my team has undertaken a detailed review process to reform TIF and align it more closely with our economic development needs, and our values of accountability and transparency. The days of the TIF slush fund are over," said the mayor that day during her budget speech.

Over? Really? We don't think so. Public outcries to stop the cash flow of TIF monies to clout heavy developers planning to rake in millions in profits from the Lincoln Yards and The 78 projects have fallen on deaf ears with the mayor and her staff.

Here's another take on TIFs from a reputable source.

"TIFs are secretive, corrupting, starving public education, showering wealthy developers with hundreds of millions of public dollars, perverting the process of community development, and are fundamentally anti-distributive. And for these reasons we assert that TIFs are racist and must be shut down," said Tom Tresser, vice president of the CivicLab.

If this isn't a "Tale of Two Cities" contrast in politics and what is fair (or not), we can't find anything more at this time.

If you haven't yet done so, read our story on page one on the CivicLab's call to abolish TIFs.

The TIF fund has a \$1.5 billion (yes \$1.5 with a "B") balance. That's way more than being just a "mayor's slush fund," and the CivicLab has launched the TIF Elimination Project to redistribute the \$1.5 billion to schools, parks, libraries, and essential City services.

We join with them. We are fed up with developers lining up at the TIF trough to help with their glass and concrete towers. We are also tired of aldermen (several of them currently or formerly from this community) whining about how much we need TIFs to jump-start developments city-wide. The majority of the dollars funnel into the Loop and downtown district and other affluent communities such as West Loop and Fulton Market. Meanwhile, under-served and under-developed communities get crumbs, and the tax dollars that should have stayed locally in schools, libraries, and parks get directed elsewhere.

It's ironic that TIFs were created by Mayor Harold Washington, because he did it to help blighted neighborhoods. Instead, Mayors Richard M. Daley and Rahm Emanuel turned the program into Robin Hood for the rich, robbing the money from poorer areas of the city to give it to rich developers. The CivicLab called the TIF program racist, but it is more than that. It is classist. The corporatists do not care if the money is taken from black, brown, or white people, just so long as it is taken away from the less well-to-do to be provided to the rich.

TIFs are sucking the lifeblood out of our communities, and this charade needs to end, now. The mayor has proposed closing out five TIFs, but we do not think that goes far enough.

So, Mayor Lightfoot, we just gave you two pathways to get us out of this mess. Implement a Transaction Tax and eliminate TIFs and redistribute the monies. We also would argue that if the State doesn't help bail out the City on the pension crisis—no certainty for sure—then some of the TIF dollars should be directed there.

Two progressive strategies for a progressive mayor to ponder. Each would take a lot of moxie to follow through on. But that's why we endorsed you, Mayor Lightfoot, and why you got elected. You showed us moxie and said it was "time to bring in the light." Don't let your supporters down now.



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