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EDITORIALS

TIF reform hits the wall

If—make that *when*—the City of Chicago approves a plan to declare the LaSalle Street financial district a blighted area, Cook County stands to give up at least \$200 million in taxes, and probably much, much more.

It's fair and responsible to ask whether this is what the Illinois General Assembly had in mind when it passed a law allowing municipalities to set up tax increment financing districts to promote development in economically distressed neighborhoods. But the Cook County Board would rather not ask that question.

It's fair and responsible, but also a little late, to ask whether some of the county's 363 TIF districts—143 of them in Chicago—serve the interests of taxpayers, or of developers and politicians. The County Board would rather not go there, either. Board members don't particularly want to be involved in discussions about future TIFs, either.

The board's Finance Committee recently nixed two of three proposals by Commissioner Mike Quigley, who is on a tear about the proliferation of TIFs. The special taxing districts can be set up by municipalities with only token input from other local governments, including those for schools, parks, forest preserves and the county. For 23 years, taxes forwarded to those governments are frozen; tax dollars generated by new development are reinvested in the district.

One Quigley proposal would require the county's representative on a joint review board, whose members represent taxing bodies that would be affected by a new TIF, to seek the board's input before voting on whether to sign off on TIF proposals. Right now, the board routinely rubber-stamps those proposals.

Another proposal would ask Springfield to study how TIFs are being applied and whether the law is working as intended.

A third—the only one still on the table—would require that tax bills spell out how much is being paid into TIFs. Last year, more than \$53 million that showed up on citizens' tax bills under "Cook County" was actually diverted to the TIFs.

Transparency, accountability, fair representation—what's not to love? It's a wonder these proposals need to be discussed, much less legislated. Why aren't tax bills accurate to begin with? Why isn't the County Board already being briefed on proposals that could siphon millions of tax dollars from its coffers? What's the harm of asking whether TIFs are being abused—especially in the face of so much evidence that they are?

Some Cook County Board members argued that putting correct information on tax bills would confuse taxpayers.

A parade of speakers representing Chicago neighborhoods and suburbs pleaded with the County Board not to invite Springfield to revisit the law. TIFs have worked wonders in hopeless places, they said, and much of that development would never have happened without them.

But the projects they described are precisely the sort of things the legislature envisioned. They have nothing to fear from an examination of whether, say, the entire Loop—or one-third of the city of Chicago—truly qualifies as blighted. Or whether the LaSalle financial district is in danger of falling into decay unless it is propped up with hundreds of millions in tax dollars.

Some board members said changing tax bills to reflect reality would cost money. (But imagine what all those TIF dollars might do for the county's sorry budget.) Some argued that putting correct information on tax bills would confuse taxpayers. Said an exasperated Quigley: "They're confused now." Actually, they're deceived.

When a municipality sets up a TIF in an area that's not blighted, it robs other local governments of the tax revenue that would have been generated by natural growth. That forces those other governments to raise taxes to offset their losses. The county has a huge stake in curbing TIF abuse. It's confounding that the Cook County Board has so little interest in doing so.