

VETO – FAÇADE IMPROVEMENT PROGRAM

I am announcing tonight that I am vetoing the measure passed by the City Council at its previous meeting which suspended the façade improvement program in the Uptown Tax Increment Financing District. Let me be clear that I am definitely in favor of discontinuing the façade improvement program in the TIF District. However, the measure passed by the City Council creates new liability for the City. I am asking the Council to sustain my veto and pass a new measure suspending the program without any new liabilities attached. Regardless of the Council's action, I will veto any façade improvement expenditure which the City is not already under contract to make.

There are some misconceptions about the TIF District which must be addressed. Some, perhaps many, believe that the TIF Fund is a pot of gold which contains money just waiting to be spent. This is a complete fiction. There is no actual money in the TIF Fund. I remind the aldermen that the City was in such dire financial straits in the last budget cycle that we had to negotiate with two school boards to defer our payments of their share of TIF revenues. Right now, the City owes \$180,000 to District 64 and District 207. And the TIF Fund, itself, owed the City's General Fund \$4,584,076 as of April 30, 2010, an amount which is about to increase to \$6,236,130 in a couple of weeks as the TIF bond interest payments become due but with no TIF money to make them. Yet, despite the TIF Fund's horribly negative account balance, for some reason, there are plans to spend up to another \$100,000 on the façade improvement program, money which simply does not exist. That is completely irresponsible.

I should also remind the aldermen that, in a fit of sobriety, the City Council agreed with the City Manager during the budget hearings early this year that all TIF-related expenditures would be suspended, until further notice, except for debt service and a streetscape improvement program which was already underway. The fact that the façade program has not been discontinued before now is a failure on all of our parts. However, compounding the mistake by authorizing further expenditures is senseless, and it is bad government.

In the past year, I have vetoed contributions to community groups. I have stated my opposition to using taxpayer funds to fight O'Hare expansion, and I vetoed the budget, in part, because those funds were included. I have also stated my opposition to using taxpayer money to subsidize private flood control devices, and I will veto any related expenditure if it crosses my desk. How do I, how do we, look the members of the Senior Center in their eyes, or the other community groups whose funding was cut, or residents suffering because of the O'Hare expansion, and tell them there is no money for them, but we are going to spend taxpayer money, their money, to help make a storefront look nicer? That is unfair to the taxpayers, and it is bad government. I hope the Council will agree.