



## TIFs Uncovered

By Richard Skillings

We have all heard of TIFs (Tax Increment Financing) but I wonder how many of us know how they work or how they affect us.

Leaving out the details, a TIF is nothing more than borrowing money. Most of us do that, and governments do it all the time...and that's part of the problem with TIFs.

**The more TIFs set up and the more money spent today means more debt for us and our children to pay tomorrow**

Unlike most other debt, a TIF has an insidious side. With most borrowing, we are asked to vote on the project—say, to build a new school. We also know the tax consequences—for example, a \$.75 rate hike may raise property taxes \$250.

But with a TIF, we are told there are no extra taxes—“new” money will come from higher assessed values in the blighted area. The public is

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## COLUMBIA RESIDENTS THREATENED BY EXCESSES OF DEVELOPERS

From the website [www.citizens4columbia.org](http://www.citizens4columbia.org)

In 2004, the Columbia City Council entered into a Development Agreement with G.J. Grewe to promote the development of "Columbia Crossing." **This massive development is expected to consist of approximately 2000 acres of mixed use along I-255 from Route 3 to the levee, and includes construction of a new I-255 interchange at the Fish Lake overpass.** G.J. Grewe builds/develops large retail centers, such as Gravois Bluffs in Fenton.

Columbia's Development Agreement contains a wide assortment of financial incentives to Grewe to pay for the cost of his development, such as sales tax and property tax rebates (TIF district). Also included are provisions that would require the City of Columbia to initiate eminent domain proceedings, on property owners, if they refuse to sell their land to Grewe. (This actually occurred in Grewe's Gravois Bluffs development, where a resident of 32 years was forced off her property.)

**“Columbia is a unique place.** We believe our residents value our small town heritage and their way of life. Most of us enjoy knowing the owners, managers and even the workers, at the places we visit and shop in town,” says Jack Norman, long-time resident of Columbia.

Although change and growth in Columbia can be a positive thing, the Citizens4Columbia group does not think it is in residents' best interests to promote the extinction of Columbia's small town culture in this way. Developers should be required to contribute their full share to the community.

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## **TIFs Uncovered**

not told three things about how TIF works.

**(1) People currently living and businesses operating in the TIF district will pay extra taxes because they will have the “benefit” of higher property values.** But new businesses that build in the area under the benefit of the TIF will not have to pay any taxes—not the increase, not the baseline that they would have paid if the TIF didn’t exist. In effect, the long time residents of the district must underwrite the new businesses.

**(2) The extra tax money that comes from increasing assessed property values goes to pay off the debt incurred by the TIF.** Of course, values always go up and governments count on more money each year to provide community services (police, road repairs, school budgets).

That does not happen in the TIF district. All those things must be paid with the same number of dollars for the next 23 years. *Imagine, trying to live on a fixed income for the next 23 years, or buying today’s goods with 1983 dollars (equivalent to).*

You know those governments, particularly school districts, cannot and will not do it. They will have to cut services or raise taxes. When they raise taxes, the people in the TIF district pay added taxes two times! Would you stay there and help sustain the higher property values or cash out and move? Will that small business owner continue to pay his taxes while knowing his competition is escaping them?

**(3) TIFs don’t really work well in blighted areas, but produce lots of economic development in undeveloped and more affluent areas.** Empirical evidence from Chicago, Wisconsin, California, and Pennsylvania demonstrated that years ago. Given the TIF activity in the Metro East, it appears likely that the cities of East St Louis, Washington Park, Fairview Heights, Belleville, and other communities learned from that. Indeed, Belleville, has learned that lesson no less than 19 times and is working on the next TIF, already. ●

## Who is STOP158:

### Citizens for Smart Growth

By Richard Ellerbrake

Stop158 is a movement of citizens who share a vision for their communities and actively promote that vision. Stop158 opposes an outer-belt, interstate-type highway from Troy to the JB Bridge, which Illinois Department of Transportation (IDOT) calls the “Gateway Connector.” Stop158 works to strengthen and preserve the quality of our common life, promote smart growth, and bring about metro-equity. We:

- Contact decision makers, family, friends and neighbors;
- Write letters to elected officials and newspapers;
- Erect signs;
- Gain and spread knowledge;
- Contribute money and collect contributions;
- Provide speakers to interested groups;
- Keep the public informed;
- Circulate and gather signatures on petitions.

Stop158 has neither a membership list nor dues, but depends on contributions of money, material, time and talent. It is open to new ideas and insights. It welcomes all individuals and organizations who wish to be part of this movement.

Allies united in opposition to the Gateway Connector include:

- Citizens Against the Sprawlway;
- EcoHawk Foundation;
- Prairie Alliance for Sensible Transportation;
- Sierra Clubs, Illinois Chapter;
- United Congregations of Metro East. ●

## News Flash!

Stop158 has always suggested IDOT make necessary corrections rather than build another interstate style highway. Now they will do part of what we have been urging since we began in August 2003; they will put in north bound turn lanes at the intersection of Troy O’Fallon Road and Old Route 40. This is the kind of road work which is needed: not costly or major new highway construction but thoughtful and helpful projects that will upgrade what we already have built so it works better for us all.

## CALENDAR OF EVENTS

### STOP 158 MEETINGS

Place 866 Old Enterprise Farms, Lebanon, IL 62254

Time 7:00 p.m. – 8:30 p.m.

Regular meetings of Stop158 steering committee occur on the second and fourth Monday of each month. Meetings are open to all interested parties. Please call to reserve a space; 618-632-3158.

For the calendar of the **East-West Gateway Council of Governments** visit [www.ewgateway.org/](http://www.ewgateway.org/)

The **Sierra Club** has many interesting offerings. Go to: [www.illinois.sierraclub.org/](http://www.illinois.sierraclub.org/)

### *Elections are coming April 17*

#### **Be sure to vote.**

Contact the candidates in your district to learn where they stand on STOP158.

Let them know you oppose the Gateway Connector, and you expect them to make it known to other elected officials and IDOT that voting citizens of Southern Illinois don't want and don't need the Gateway Connector. For more: [www.stop158.org](http://www.stop158.org) and click on "other links," then "politician listing."

## **Columbia**

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This development appears to be the worst of both worlds: massive growth with the potential for increased traffic and crime...as well as the community not receiving the full tax benefits that should accompany it.

In communities all across the country, when a Wal-Mart has opened up on the outskirts of town, that town's "Main Street" has died. There is no reason to believe Columbia will be any different.

This development will surely increase residential growth. There will be an even greater demand for more apartments and homes. This means more pressure on the rapidly expanding school district. If a TIF district is established, the school district WILL NOT receive the revenue from property taxes it would normally receive, putting an even greater tax burden on the rest of us.

Because this development will change Columbia for generations to come, Citizens4Columbia believes it is appropriate to give Columbia's voters a voice on this matter. ●

**Breaking News! In Columbia a non-binding referendum about this development will be on the April 17 ballot. Be sure to vote your opinion.**

Contributions to support  
and this newsletter can be mailed to:

STOP158  
PO Box 330,  
Troy, Illinois 62294

Or visit the web site [www.stop158.org](http://www.stop158.org) and contribute via our secure website.



**Apathy is one of America's  
greatest problems - but who cares?**

### *And what have we done for you (lately)?*

- Met and communicated with Mary Lamie, District Engineer for the Gateway Connector project
- Put up signs from Troy to Columbia
- Formed an Internship Program relationship with McKendree College
- Assisted SIUE students who participated in Economic Development Forums
- Dozens of articles and letters have been published as well as letters to politicians
- Communicated with legislators on behalf of the citizens of the three county area

**Publisher:** [www.stop158.org](http://www.stop158.org)

**Editor:** Marty Ganz

**Contributors include:**

Manny Arzavala, Webmaster

Ken Aud, UCM Representative

Richard Ellerbrake, Spokesperson

Annette Haines, Letter writing

Jack Norman, Sierra Club Representative

Bob Ramsey, Network Marketing

Richard Skillings, Treasurer

**Address:** PO Box 330, Troy, IL 62294

**Email:** [marty1115@earthlink.net](mailto:marty1115@earthlink.net)

DON'T WAIT - ACT NOW!

THINGS YOU CAN DO:

1. SIGN THE PETITION ON [WWW.STOP158.ORG](http://WWW.STOP158.ORG)
2. WRITE LETTERS TO ELECTED OFFICIALS
3. MAKE A CONTRIBUTION
4. WRITE A "LETTER TO THE EDITOR" AND SEND TO THE NEWSPAPER
5. PAINT A SIGN AND POST IT IN YOUR YARD
6. TELL TWO MORE PEOPLE ABOUT [WWW.STOP158.ORG](http://WWW.STOP158.ORG)
7. PUT A BUMPER STICKER ON YOUR CAR (SEND US AN EMAIL TO GET ONE)
8. VOLUNTEER! ●

## Get the message out!

By Bob Ramsey

Stop158 works hard to improve the quality of life for you, your loved ones, your neighbors and future generations.

The more people joined in this effort the better the chance that the Gateway Connector can be stopped, and the region wins by following guidelines for smart growth.

We try to make it easy for you to participate but understand it is not always possible to spare the time. If you cannot contribute your time, can you make a contribution?

It's easy to contribute through our secure website [www.stop158.org](http://www.stop158.org). Or you can mail your check to PO Box 330, Troy, IL 62294.

We need your support to continue publishing this newsletter. It's simple to do the right thing, and it feels good too! ●

### *Electric Price Rate Freeze Update*

The Illinois legislature could still pass legislation to protect you from those astronomical increases in your electric bill. But our legislators need to hear from you today, tomorrow, and often! Many want to do the right thing but need your encouragement. To help: [www.citizensutilityboard.org](http://www.citizensutilityboard.org)

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