



Save Thousands of Small Businesses & Jobs: Release the TIF Funds! (5/7/20 Update)

Lobby Mayor Lightfoot and your alderman to release mega-millions in Tax Increment Finance District (TIF) funds to save small businesses and jobs. Learn more at www.fultonmarketchicago.org. Roger Romanelli, FMA Executive Director, 773-531-6370, roger@fultonmarketchicago.org

Email & Call Your Alderman & the Mayor

A City Council resolution (“Using TIF Funds to Support Small Businesses During Illinois Disasters”) is before the Committee on Capital, Technology, and Economic Development chaired by Alderman Villegas 36. The resolution is sponsored by these aldermen: LaSpata 1, Dowell 3, Taylor 20, Rodriguez 22, Sigcho-Lopez 25, Maldonado 26, Burnett 27, Ervin 28, Rodriguez-Sanchez 33, Ramirez-Rosa 35, Vasquez 40, Martin 47, Osterman 48, Hadden 49. Email your alderman and the mayor (letterforthemayor@cityofchicago.org.) Tell them to support this resolution (see below.)

Small Businesses Are Desperate for Government Financial Assistance

As the COVID-19 crisis continues, there is a five-stage plan to re-open Chicago and Illinois society based on a rightfully cautious approach. For thousands of family-owned businesses, this means minimal-to-no business sales and inability to pay salaries, health insurance, rents and other costs.

For some small businesses, U.S. Payroll Protection Program (PPP) loans are providing only 8 weeks of working capital. For others, they haven’t received PPP loans or were denied. In all, small businesses absolutely need more government financial assistance to survive the coming unpredictable months.

For Chicago and Many Illinois Suburbs, Tax Increment Finance (TIF) Funds Can Save the Day

There are 441 Tax Increment Finance Districts (TIFs) in Chicago and 99 in the suburbs. TIFs are local economic development zones in “blighted areas” that are supposed to help local businesses, retain jobs and revitalize communities. TIF funds are collected from local property taxes.

Mayor Lightfoot and Governor Pritzker are asked to support changing the Illinois Tax Increment Finance District (TIF) law, in order to release millions of TIF dollars for small business working capital financial assistance due to the COVID-19 crisis. See the resolution below.

In 2018, Chicago’s 138 TIFs earned \$841 million and 303 suburban TIFs earned \$339 million. In 2019, the intakes are assumed to be similar or higher, and TIFs have accumulated funds over decades. These mega funds must be allocated to save small businesses and jobs with utmost urgency.

Reform Chicago’s Controversial TIF Program, Focus on Small Businesses Not Mega Projects

For the past 20 years, Chicago TIFs have been sources of public celebration and consternation. TIFs have been used to resolve teachers’ strikes, renovate schools, build CTA Stations and more. But many decisions have lacked public transparency, a small-business focus or community involvement.

Mayor Lightfoot campaigned to reform TIFs, and now is the time. By changing the Illinois TIF law and giving financial assistance to small businesses, the mayor can make the TIFs more transparent and re-dedicated to why they were created: Helping small businesses and jobs.

We salute the mayor for her efforts to keep us safe and offering previous financial tools for small businesses (Chicago Resiliency Loans, Chicago Microbusiness Grants.) But the economic crisis is more extensive and dire than these programs can serve. TIF funds are needed immediately.

City Council Resolution: Using TIF Funds to Support Small Businesses During Illinois Disasters

WHEREAS, in late 2019 and 2020, an outbreak of Coronavirus Disease 2019 (COVID-19) emerged;

WHEREAS, COVID-19 is spreading easily between people, as the virus is spread through respiratory droplets between people who are in close contact with each other;

WHEREAS, Illinois Governor Pritzker issued a disaster proclamation on March 9, 2020 regarding the spread of COVID-19 and issued executive orders limiting gatherings and business operations;

WHEREAS, limited business functions are straining business revenues especially for small businesses;

WHEREAS, small businesses provide a crucial foundation to our city's economy and neighborhood base by offering employment, services, and places for residents to congregate;

WHEREAS, the City of Chicago must act swiftly and definitively to enact economic and financial policies to support its businesses;

WHEREAS, the City of Chicago can use Tax Increment Financing (TIF) structures designed to support small businesses and provide disaster relief;

WHEREAS, the State of Illinois legislation that defines TIF purposes must be revised to allow the City of Chicago to reorient TIF funds for small business support;

WHEREAS, reorienting TIF funds in this way is needed to prevent the obsolescence of these small businesses and recognize that the survival of small businesses will not occur during these crises but for government intervention;

WHEREAS, revising the Illinois TIF legislation and reorienting Chicago's TIF funds can reform and satisfy Chicago residents' demands to use TIF funds in a more equitable and transparent manner.

NOW BE IT RESOLVED, the State of Illinois legislature and Governor Pritzker are encouraged to enact TIF enabling reform making operating loans and grants to small businesses an applicable use of TIF during times of disaster AND to allow the City of Chicago to use TIF funds to further support small businesses when disaster proclamations are issued like the current COVID-19 proclamation.

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