

Village Manager Association of Oak Park

Economic Growth Decisions Impact Our Community

Editorial

March, 2006

The State of Illinois is not kind to its schools. We rank 48th in the nation in terms of school funding. School finance reform is currently stalled, leaving our schools in the untenable predicament of permanent structural deficits and increasing overhead costs. Recently District 97 made the painful decision to lay off teachers as one of its efforts to meet budget shortfalls.

The strength of our community rests on the strengths of our schools – and our schools hold our future leaders. They deserve the best. Past Village Boards have forged strong partnerships with our schools and given them much-needed support that was not forthcoming from the State. For example, under the leadership of former Village President Trapani and the stewardship of Village Manager Carl Swenson, the Village negotiated the Tax Increment Financing (TIF) “carve out” agreement, that removes properties from the downtown TIF district and allows for earlier distribution of funds and much-needed short term infusions of capital. The prior Village Board also passed a Resolution in support of House Bill 750, which would reform school financing and provide property tax relief to homeowners.

In addition, the Village Board provided monetary support for District 97’s transportation and diversity programs, and support for the schools weighed heavily in the decision of a majority of the prior Board to extend the downtown TIF which will provide long term financial benefits to the schools.

We believe that it is important that Oak Parkers understand the direct, positive connection between economic growth, which can be balanced and sensitive, and the plight of school funding. If we are to maintain and improve our school system, then it is a matter of choices. Without meaningful school finance reform, we believe that the choices lie in three broad categories: Increased real estate taxes, increased TIF carve outs, or increased tax-generating development. The Village has seen a steady increase in real estate taxes driven in part by bond issues for necessary school, parks and library infrastructure improvements, and increased property valuation driven by soaring property prices which are, in part, due to the value that home buyers place on a robust school system. Real estate taxation is potentially at a point where the potential for flight from the Village and falling property values could occur. Increased TIF carve outs or even the elimination of TIFs is a short-term fix that does not address long-term tax generation brought about by development using TIFs as a tool. Increased tax-generating development will produce economic gain for the Village through increased tax dollars for our schools, parks, libraries and Village government. In

addition, sensitive development allows for increased sales tax revenue which could help offset the apparent increasing need for greater property tax revenue at the Village level. Development stagnation will result in a long term economic detriment and downward spiral for the Village. We cannot risk such a result.

We urge the Village to explore ways that it can expand our tax base to assist our local public educational institutions, as well as our parks and libraries, while not overburdening our home owners. We further urge you to lobby for school finance reform within the State of Illinois.

We also urge the Village board to move swiftly on the development and redevelopment of downtown Oak Park. The sooner this is achieved, the sooner the Village, and thus our schools, parks and libraries will benefit from the increased sales and other tax revenues. The situation is dire – please move promptly with progressive and appropriate development.

Submitted on Behalf of the Board of Directors of The VMA

Sincerely,

Brad Bartels, VMA Vice President