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ABOLISH THE ILLINOIS INTERNATIONAL PORT DISTRICT

Civic Federation Urges Transfer of Port Operations and Assets to More Responsive Governments

A new Civic Federation report finds that the Illinois International Port District has shifted its primary focus from port operations to the management of a golf course. The golf course brings in over half of the District's annual revenue, but there is no evidence that those revenues have been reinvested to improve port facilities or promote commerce. Because the District is failing to fulfill its principal mission, the Civic Federation calls upon the Illinois General Assembly and Governor to dissolve it. The District's operations should be transferred to the City of Chicago and its assets to governments more suited to operate them.

The Civic Federation analyzed the Illinois International Port District's finances and activities and contrasted them with five comparable ports along the Great Lakes – St. Lawrence Seaway. As a result of this investigation, the Federation is concerned that the District appears to be focused on golf rather than shipping and port operations. Harborside International Golf Center is the Port District's only major construction project since 1981. In contrast, the Federation found that none of the five other ports in the study focus their operations predominantly on recreational activities or entertainment facilities. Port authorities in the other cities derive most of their revenues from activities associated with the normal operations of a port, such as leases, rentals, contracts, and grants.

"The Illinois Port District has failed to adapt to or harness the changes in the economy of northeastern Illinois," said Laurence Msall, president of the Civic Federation. "Instead, the District has allowed the port's facilities to stagnate while it pursues a business wholly unrelated to shipping or the economic development of the Chicago Southland." The Civic Federation does not believe that merely operating a successful golf course is sufficient justification for property tax exempt status or control of a large area of public land and waterway assets. The operation of recreational facilities is much better suited to governments such as park districts, which are dedicated to that purpose.

The report also found no evidence that the substantial revenue generated by Harborside International Golf Center has been used to improve the port's commercial facilities or to market and promote the port, as its statutory mission requires. The District has undertaken no substantial construction or renovation projects to improve or expand port facilities and operations since it built Iroquois Landing at the mouth of the Calumet River in 1981. Nor has the District created a marketing department or added marketing staff to promote economic investment in the port. In fact, marketing, advertising, and promotion only made up 2.0% or \$160,878 of the District's FY2006 budget, a decrease of 12.3% since FY2002.

Of additional concern to the Civic Federation is the fact that the District seriously lacks transparency and openness to the public when compared to other ports and governments. The Civic Federation found that the District does not make information about its finances, Board members, or Board meetings publicly available on its website.

Due to these serious concerns, the Civic Federation calls for the dissolution of the Illinois International Port District. The Federation's report recommends that the City of Chicago assume control of port operations because the City has a clear stake in turning the Port of Chicago into a more vibrant center of maritime commerce and regional economic and industrial development. By reassuming the control of port lands it gave up over fifty years ago, the City of Chicago could provide access to greater financial resources and professional staff that would benefit the port and its mission. After the District has been dissolved, the Civic Federation believes that open lands on District property would be better managed by the Forest Preserve District of Cook County and that the District's golf course should be managed by the Chicago Park District.

The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions.

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