

Published: January 27, 2007

Editorial

## **Airport shows that taxes can come down**

So, the principle of gravity can apply to taxes, after all. Who knew?

When it comes to taxes, what goes up usually doesn't come down.

We can only hope that the Greater Rockford Airport Authority Board sparks a trend with the announcement this week that the tax rate will be chopped by 62 percent, from 26.7 cents per \$100 of assessed value to 10 cents. The average homeowner will get a \$75 tax break.

Several factors allowed the airport to make an early payoff on bonds it sold in 1994 to lure a UPS hub to Rockford. The airport sold \$50.3 million in bonds to extend runways, add taxiways, buy snow removal equipment and install an all-weather landing system.

At the time the bonds were sold, the anticipated payoff time frame was between 2021 and 2025. The early payoff was possible because the airport's bond rating improved, which resulted in a lower interest rate. In addition, revenues to the airport from such sources as landing fees were higher than anticipated.

Board Chairman Mike Dunn said the current board, as well as previous boards, had been "diligent" in paying off the debt as soon as possible. Dunn should not shortchange his own role, either. He provided the leadership and the commitment necessary to make it happen.

On another front, Rockford Mayor Larry Morrissey's administration is trying to bring about an eventual property tax decrease by shifting the street improvement program from an annual bond sale to a 1-cent hike in the sales tax.

The improvements would be made on a cash basis instead of being financed through bonds.

Taxpayers would get more for their money by not having to pay interest on the bonds.

Taxes, too, can be made to conform to the laws of gravity, but it takes creativity and responsible public servants who realize that the public trust is fragile.

We applaud the airport board for realizing that and acting in a way that bolsters trust in its leadership. We hope voters understand what the city is trying to do, too, and reward that effort by passing the sales tax increase in April.