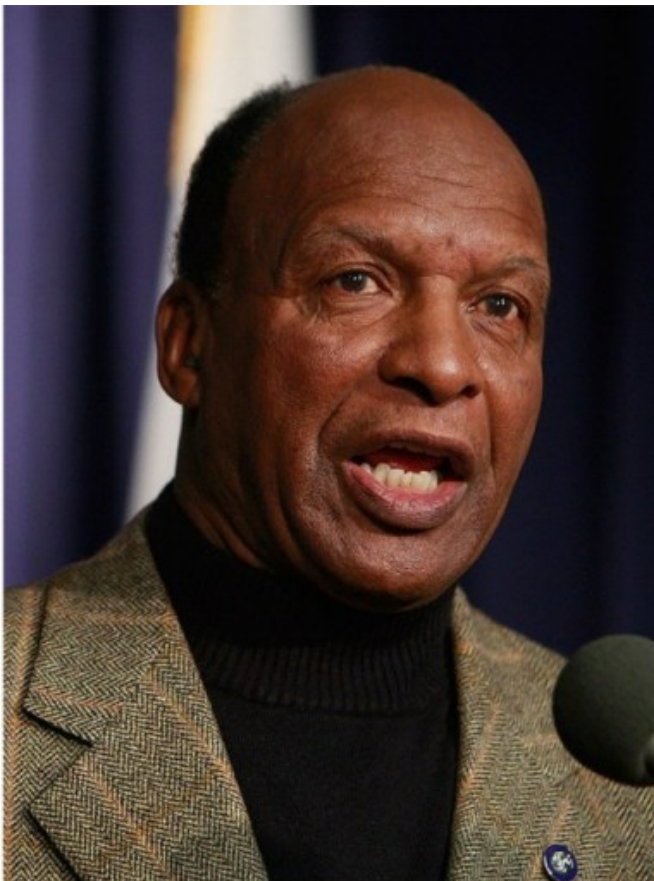


# Taxpayers Covered Millions in Gym Costs Jesse White Promised to Pay

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When Illinois Secretary of State Jesse White unveiled plans nine years ago for a North Side fieldhouse that would bear his name, he promised his private charitable foundation and its donors would pick up the bulk of the multi-million-dollar tab. Instead, records show, taxpayers paid all but a small fraction.

White, who will be sworn in for a record sixth consecutive term on Monday, initially pledged \$10 million to build the athletic facility in partnership with the Chicago Park District on a portion of the former Cabrini-Green public housing project in White's 27th Ward political powerbase. But a Better Government Association investigation found the foundation's final cost was slashed to about \$650,000 following quiet interventions from an array of political leaders.

Records show the fieldhouse cost slightly more than \$12 million, and state and city taxpayers ended up covering \$11.5 million. The 29,000-square-foot facility at 410 W. Chicago Ave. opened in 2014 and serves as a state-of-the-art home for

White's iconic Jesse White Tumblers, headquarters for his Jesse White Foundation and a park district gymnasium.

The district charges White's foundation \$1-a-year in rent and covers all utility, custodial and maintenance costs, records show. White's groups get exclusive use of many of the facilities for several hours after school and on Sunday mornings, and his foundation controls most of the second floor.

The never before disclosed back story behind the White fieldhouse financing highlights a cascade of clout for a pet project of one of Illinois' most popular political leaders. Officials from both parties put aside squabbles over scarce public resources to ride to the rescue with tax money as White encountered trouble raising the private funding he promised for the center.

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In late 2010, then-Mayor Richard Daley won City Council approval to underwrite the project with \$5 million in special tax increment financing funds diverted from property tax collections. Within months, the amount of TIF funding doubled to \$10 million under an [ordinance](#) pushed by White's political protege, Ald. Walter Burnett, 27th, who is also a volunteer Tumblers coach.

Even Republican Gov. Bruce Rauner, after freezing all discretionary state grant spending on his first day in office in 2015, soon after made an exception and greenlighted a \$1.5 million grant for the Chicago Park District. The grant agreement made no mention of White's foundation, but the district repurposed the money to bail out the foundation for a construction loan it owed on the center, records show.

The investigation found no evidence the park district obtained state permission to use the money to defray the foundation's loan costs.

In addition to Daley, Burnett and Rauner, the eclectic roster of those who helped make the White center a reality at taxpayer expense included former Democratic Gov. Pat Quinn and Mayor Rahm Emanuel. Also involved were powerful Ald. Edward Burke, 14th, Illinois House Speaker Michael Madigan, and two Democratic state lawmakers whose districts include the fieldhouse — Sen. Patricia Van Pelt and Rep. Arthur Turner Jr.

Both White and the park district did not respond to specific questions posed by

the BGA about the center's financing, instead issuing prepared statements that simply praised the project. White called it a "gold-standard model of a public-private initiative," while a spokesman for the district said the center provides "unprecedented recreational opportunities to children and families" in the Near North community.

The 84-year-old White may be as well known for his association with the Tumblers he founded six decades ago as for his success in politics. According to the website of White's secretary of state's office, more than 17,500 students have been involved with the Tumblers on gymnastics teams that perform not only in Chicago but across the nation and world.



Members of the Jesse White Tumblers perform at Wrigley Field on September 14, 2012. (David Banks/Getty Images)

Construction of the Jesse White Community Center proved to be that rare public works project completed under budget, with the final price-tag coming close to \$12.2 million for a facility originally pegged at \$15 million. Taxpayer expense, however, ended up far greater than initially promised when the park district board first approved the project in February 2010.

"Portions of the building would be used as training and performance space for the Jesse White Tumblers and for conference and office space for the foundation,"

according to a [staff outline](#) prepared for the meeting and signed by top park district officials. “The Foundation has pledged \$10 million towards the \$15 million development budget.”

That \$10 million obligation fell initially to \$5 million with the city council’s approval of the additional TIF cash. Even so, project backers feared the funding might dry up when Emanuel took over for Daley as mayor in 2011.

It didn’t, and the fieldhouse opened in 2014. [At the ribbon cutting event](#), Burnett recalled how he secured a promise from Emanuel “on day one” that the new mayor would support the project. After that, Burnett said, “everything was pushed through for the tumbling team without any hesitation.”

White had endorsed Emanuel for mayor in 2011 over a crowded field.

Emanuel spokesperson Jennifer Martinez said the mayor considered the fieldhouse an “important recreational asset” and was eager to ensure it received necessary funding. “This was absolutely the right decision since today it serves as a tremendous community asset,” Martinez said.

“The Jesse White Field House and Community Center is a public facility that was paid for with public and private funds,” Burnett said in a written statement. “I applaud Jesse White, city and state leaders, and private, concerned citizens for bringing this fabulous facility to the Near North Side.”





Jesse White Park and Community Center, 410 W. Chicago Ave. (Ashlee Rezin/Sun-Times)

[At the 2014 ribbon cutting](#), White gave shout-outs to several people he said had been instrumental in moving the project along, including Burke, who at the time was the longtime chairman of the finance committee with a life-or-death grip on city spending. Burke, White said, was “helpful in coming forward with the dollars that we needed.”

In an unrelated development, Burke earlier this month resigned as finance committee chairman after being charged in a federal criminal complaint stemming from an alleged shakedown of a fast food chain in his ward.

Also singled out for praise by White at the ceremony was Jill Takiff Hirsh, then a board member of the White foundation and chairman of the First Bank of Highland Park. The bank extended a \$1.5 million financial lifeline when the foundation was running short of cash to complete the project in 2014.

Paperwork for a line of credit from the bank to White’s foundation was completed on May 27, 2014, the same day Madigan introduced a budget bill in the House that included a lump sum appropriation for unspecified capital projects sponsored by lawmakers. One \$1.5 million grant later carved out of that pot of money went

to the park district and was used to repay the White Foundation bank loan.

State records list Van Pelt and Turner as sponsors of the grant. Van Pelt first won election in 2012 after White endorsed her in the Democratic primary over an incumbent.

A separate wrinkle in Madigan's budget bill gave White the opportunity to do a favor for the speaker. With a budget crisis looming, it set up an unorthodox funding mechanism to insulate [\\$35 million earmarked](#) for school construction projects, including one in Madigan's Southwest Side house district, from future cuts.

The money was parked in the budget of White's office and escaped a grant freeze that Rauner would impose the following year.

Steve Brown, a spokesman for Madigan, said the parks/White center grant was unrelated to the school funding issue, which he said was an attempt to address "serious overcrowding."

Maneuvering over financing for the White fieldhouse continued even after its doors opened in the fall of 2014. Quinn, whose re-election campaign received a \$75,000 contribution from White, lost to Rauner in November of that year. State records show that before Quinn left office his staff was in a rush to complete paperwork for the grant.

"THIS IS A PRIORITY PROJECT PER THE GOV. PLEASE CALL AND SEND SURVEY TODAY," read an email in all capital letters written to Quinn staffers on Dec. 29, 2014 by Mary Feagans, a lobbyist for the Department of Commerce and Economic Opportunity, which handled the grant.

In response to questions from the BGA, a Quinn spokesman said the former governor did not get involved in details of individual grants.

The money, however, was not dispensed before Rauner took office and imposed that grant freeze, posing a crisis for the White foundation which needed the money to pay back Hirsh's bank.

In February 2015, Feagans and officials with Rauner's budget office began receiving outside inquiries about the status of the grant, state emails show. Within a month, the hold on the grant was lifted.

“Please consider this email approval to move forward with the \$1.5 million grant to the Chicago Park District for the Jesse White Community Center as these costs have been incurred for the project,” an official of Rauner’s budget office [wrote](#) Feagans at the time. The wording suggests state officials may not have realized the grant money was to be used to satisfy a debt of White’s private foundation instead of the park district.

Out of dozens of grants suspended by Rauner, the White center grant was just one of two that the new governor agreed to let through.

White’s foundation received yet another financial windfall related to the center in 2015. The state grant had reduced the foundation’s total cost to \$1.3 million, but records show that it recouped about half of that from an escrow fund that contained unspent money for the project.

That dropped the bottom line expense to White’s foundation to around \$650,000.