

Brady takes another run at Quinn after narrow defeat

By Ray Long, David Heinzmann and Maura Zurick February 26, 2014

PEORIA — The Peoria County Republican Women had just downed a chicken and noodle lunch to mark Abraham Lincoln's birthday when governor candidate Bill Brady served up a new dish: red meat.

The state of Illinois needs to cut spending, fight taxes, abolish bureaucracy, create jobs and spur the economy, the state senator from Bloomington told the crowd of about 100, many of whom nodded in agreement.

"We need a leader in Illinois who has got bold vision, Republican principles — tried, true and tested — that are focused in the conservative values that we all share," said Brady, who had been introduced as a candidate who stands "for traditional values" like opposing abortion rights and gay marriage.

That message worked well in the last primary for governor, carrying Brady to a narrow victory. But come the fall, it left Brady just short — less than a single percentage point behind Democratic Gov. Pat Quinn, who in the final weeks of the campaign painted his opponent as "too extreme."

Four years later, Brady said he's counting on enough voters having "buyer's remorse" at the decidedly liberal direction Quinn has steered the state. Give him another chance, Brady says, and he'll get the job done.

"I'm the only one who has a base of support in the general election. I'm the one candidate who can win. I got 1.7 (million) to 1.8 million votes," Brady said of his 2010 showing. "No one else has that. Everyone else will be fresh."

But even getting out of the March 18 Republican primary could prove difficult for reasons both geographic and financial. Last time, Brady was his party's only governor candidate from Downstate. Six others from the city and suburbs split the vote thinly enough for the guy from

central Illinois to collect 20.26 percent and eke out a 193-vote win over state Sen. Kirk Dillard of Hinsdale, who's also running again.

This time there are only two Chicago-area candidates and another from Downstate: Illinois Treasurer Dan Rutherford of Chenoa, who like Brady is looking to wring votes from central Illinois and elsewhere Downstate.

Like last time, Brady has very little campaign money for the primary — raising less than \$300,000 so far. Winnetka venture capitalist Bruce Rauner has collected nearly \$13 million. The wide edge has helped Rauner build a substantial lead, according to a Tribune/WGN-TV poll, even as Brady's familiarity from last time has him in second as he hopes to emerge as the chief alternative as voters start to sharpen their focus ahead of election day.

To that end, Brady is talking up the idea of eliminating the state income tax, a tall task given the state's finances. He's picked a woman running mate from the suburbs to help attract new kinds of voters. And he hopes to keep the backing of fellow Downstaters who might view him as a candidate sympathetic to their concerns.

"I'm the only candidate, I think, who can build the base and bring the party together," Brady said. "I mean, if you're a Republican and you're not adamantly for the tax cuts, you lose the base. If you're a Republican and you're not socially conservative, you lose the base."

Arlene Heinz, who traveled from the outskirts of Peoria to hear him speak this month, said she's considering voting for Brady. "If he can do everything he says, I'm for him," she said.

Bloomington life

Brady, 52, was born in Bloomington and still makes his home in the city of nearly 78,000 that's the corporate home of State Farm Insurance. He went to Central Catholic High School, playing football and finishing fourth as a senior in the 185-pound class of the state's small-school wrestling tournament. He graduated from Illinois Wesleyan University, also in Bloomington, with a degree in finance, political science and economics. While there he met his wife, Nancy. The couple has raised three children, all educated at the private Catholic schools Brady attended.

Brady is the oldest of three brothers involved in homebuilding, an entrepreneur focused on real estate development and sales. Brady Homes, a company they inherited from their father, appears to have done pretty well during the construction boom and struggled as the housing market collapsed. His 2012 tax returns listed him paying more than \$37,000 in state and federal income tax on \$200,529 in income. In 2008 he disclosed a loss of \$116,679 and paid no state or federal taxes.

Brady has had numerous business ventures, ranging from what he said was a money-losing stake in a local semiprofessional football team to a real estate business with 16 employees in Florida, where he also owns a condominium.

His interest in politics led him to land a seat in the Illinois House in 1993. He lost a bid for Congress in 2000, then got back in the game two years later when he was appointed to the Illinois Senate. By 2006, Brady had set his sights on ousting Democratic Gov. Rod Blagojevich, only to place third in the Republican primary. In 2010, Brady won the GOP governor primary, only to lose to Quinn by just under 32,000 votes out of 3.7 million cast.

After the election, Brady assessed the situation. A lead in the polls for much of the fall campaign had him envisioning a close win, but millions of dollars in TV attack ads thrown against him helped turn it into a close loss. Should he run a third time? After what he described as an "extensive" discussion with his wife, Brady decided to try again.

"Mostly, I felt, in many ways, I let people down," Brady recounted to the crowd in Peoria. "Nancy and I have redoubled our efforts because we believe your investment in us in the last election gives us the strength and the foundation and the stability to finish the job we started four years ago."

Voting record

Brady has been a state lawmaker for two decades, but he hasn't developed a reputation as a driving force at the Capitol. One of Brady's most high-profile moments came last summer as one of 10 lawmakers on a House-Senate pension committee that helped come up with a plan to rein in the state's \$100 billion retirement system debt. The panel laid the groundwork for legislative leaders of both parties to reach a compromise that includes scaling back cost-of-living increases and raising the retirement age for government workers.

Brady successfully pushed with Republican allies for a provision to let some government workers use 401(k)-style investments rather than rely on the state pension system for healthy returns, a nod to those wanting more financial independence.

"He brought ideas to the table, suggestions, and he was always an active participant," said Rep. Elaine Nekritz of Northbrook, who served as the House Democratic point person.

Brady's vote for the pension law puts him at odds with the rest of the GOP governor field that opposed the measure for different reasons.

"All three of my opponents have consistently talked about the need for pension reform," Brady said. "But when it came down to where the rubber meets the road, they scattered like cats in a barn."

On last year's other high-profile issues, Brady voted to allow people to carry concealed weapons and against allowing people to use marijuana for medical purposes, and he opposed same-sex marriage.

Brady's Catholic faith underpins his opposition to abortion unless the mother's life is at stake. He supports the use of vouchers to help public school students attend private ones. He is open to letting local school officials decide whether creationism should be taught in the classroom.

Brady does not support Quinn's call to increase the state's minimum wage of \$8.25 an hour to \$10 — a potent wedge issue Democrats are using against Republicans.

Private, public intersection

In the Senate, Brady has voted "present" on the issue of expanding gambling when the package included a casino site in Danville. He said his minority interest in a local hotel, which could benefit if a casino boosted tourism in the city, represented a potential conflict of interest.

Brady's stance on the casino issue contrasts with his record of repeatedly voting for incentives that supported development projects connected to his family real estate business, the Tribune has found.

In November he voted to extend tax incentives to a property his family has been developing in Gibson City. Brady's mother sold a portion of the land for more than \$500,000 to a developer who said he would not have invested in the project without the promise of the tax incentives, which were approved by an overwhelming majority in the legislature after the property sale. Brady said he had no conflict of interest in voting on the incentives because the land was in his mother's hands and he no longer had a direct interest in the property.

In 2003 and 2006, Brady twice voted to authorize the city of Champaign to take land for sewer improvements on property he planned to develop, though the project ultimately failed. In those cases, Brady said he didn't believe the city improvements directly benefited his project.

Brady said the financial health of his family business remains strong despite the collapse of the housing market that caused the business to curtail its homebuilding focus. But he and his brothers have had to take difficult steps in recent years to maintain large loans owed on parcels of undeveloped land no longer worth what they paid for them. They have been sued twice for defaulting on more than \$4 million in development loans.

One of the suits was settled when Brady sold the land at a discount to buyers that included a longtime campaign contributor. The second lawsuit, filed by a bank in McLean County over \$2.4 million in defaulted loans, is still pending. Brady said the family has been trying to sell parcels to settle that case as well.

Brady also has extended the life of a \$1.3 million loan for the family business for which he and his brothers used their Bloomington homes as collateral.

Cutting taxes

Brady, long a reliable vote against tax hikes, said he supports allowing the 67 percent income tax rate increases Quinn and his fellow Democrats approved to start to expire as scheduled in January. Such a move would take away more than \$4 billion a year from the treasury, but Brady has said the state could make that up through spending cuts and revenue gains from a growing economy spurred by lower taxes.

In this campaign, Brady has added a new dimension by suggesting the state could eliminate the entire personal income tax over a period of a decade or more. It's a long shot that even Brady acknowledges has doubters. He points to Florida and Texas, saying they don't have income taxes but have stronger economies, higher job growth and healthier state budgets.

To get there, Brady said he would put in place tough spending limits and tie their levels to the growth in Illinois' population and inflation. His hope is that the state would collect more cash than it spends and the excess would be used to help lower the amount of income taxes needed the next year. Doing that year after year, he said, would lower the tax rate toward the "goal of eventually having none. Zero."

Economist Chris Edwards of the Washington-based Cato Institute, a free-market think tank, said he "favored" Brady's idea and urged him to also aggressively cut corporate taxes — an idea on Brady's radar.

But other experts say cutting the state income tax for individuals would not work mathematically, economically or politically. Ralph Martire, executive director of the Chicagobased Center for Tax and Budget Accountability, noted that tourist-friendly Florida and oil-rich Texas have myriad reasons beyond having no income tax that help their economies.

The Brady proposal would require "stringent cuts that most citizens would not be wiling to accept at this point," added J. Fred Giertz, a professor at the University of Illinois at Urbana-Champaign whose monthly Flash Index measures Illinois' economic growth. "In many cases, it looks better from afar than it does close up."

Even so, Brady said a tax overhaul is part of an agenda he argues would put Illinois on a better path than the one chosen by Quinn and the Chicago Democrats who now run the state.

"No one is saying that, you know, (Quinn) doesn't try his best," Brady said. "It just hasn't worked. ... We need a Republican philosophy for a partisan balance, and we need a Downstate governor for geographical balance."