



## Office of Cook County Clerk David Orr

69 W. Washington, Suite 500 Chicago, IL 60602

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### **2007 TIF report shows 11.5% jump in revenue**

**Taxpayers contribute \$892 million to TIFs in 2007**

Cook County Clerk David Orr on Wednesday released the 2007 TIF revenue report, which shows the amount of money generated in 402 active tax increment financing districts in Chicago and the suburbs.

The total amount Cook County taxpayers are paying in TIF revenue now exceeds \$892 million, up 11.5 percent from 800 million in 2006. Approximately two-thirds of TIFs in Chicago and the suburbs experienced a revenue increase this year, the report shows. In Chicago, revenue increased for 99 of 155 TIFs; 170 of 247 suburban Cook TIFs increased.

So far in 2008, 15 new TIF districts have been added – 11 suburban, 4 in the City of Chicago – though more may still be added by the end of the year.

“While TIF districts are intended to help blighted areas, they also place a greater burden on other taxpayers to support the schools, parks and other services,” Orr said. “There is too little disclosure on how TIF monies are spent and this report aims to bring greater transparency to this controversial funding tool.”

Among the highlights from Orr’s report:

- In the City of Chicago, TIF revenue increased 10.98 percent, or \$54.9 million, to \$555,310,568.
- In suburban Cook County, TIF revenue increased 12.35 percent, or \$37 million, to \$336,834,537.
- At \$892 million, if TIFs were their own separate taxing agency, they would collect the second largest amount of revenue in Cook County. The Chicago Public Schools rank first with \$1.9 billion.
- Approximately 75% of Chicago’s TIFs (118) and 50% of suburban TIFs (126) have been on the tax rolls for ten years or less. These districts will continue to be entitled to receive revenue for at least 13 more years, unless dissolved in advance of their normal 23 year term.
- Of the 1.8 million properties in Cook County, 182,356 properties – 10 percent – are located in TIF districts. TIFs cover 95 of the county’s 946 total square miles, about 10.04% of the total area.

“TIF” stands for “Tax Increment Financing,” a special tool that a municipality can use to generate money for economic development in a specific geographic area. TIF districts allow a city to re-invest all “new” property tax dollars in the neighborhood from which they came for a 23-year period. During



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that time, no tax dollars are allocated to schools, parks or other tax districts. TIFs may be cancelled earlier or extended an additional 12 years.

### **In Chicago:**

- Since 1986, more than \$3 billion (3.066B) has been collected from all TIFs within the City of Chicago. That number does not reflect the whole lifespan of TIFs in Chicago.
- Chicago's 2007 TIF revenue — \$555M — now represents more than two-thirds of the city's property tax levy. By comparison, the city levies \$769M for the city and library fund.
- Two Chicago TIFs – the Central Loop and the Near South – collected \$157 million this year, or \$111 million and \$46.1 million respectively.
- Rounding out the city's top 5 TIF districts in terms of revenue are: Canal/Congress (\$19.2M), LaSalle Central (\$18.9M), and Kinzie Conservation (\$16.4M).
- The Central Loop TIF district is set to expire at the end of 2008. The city has also let six small TIFs expire in advance of their normal 23-year terms. The combined 2007 revenue for these expiring districts is \$112.6M.
- The newly-created LaSalle Central TIF, established in 2006 amid much controversy, this year received a \$9.3M increase in revenue, quickly becoming the fourth largest TIF in Chicago.
- Geographically, the largest Chicago TIF is Lake Calumet at 12.3 square miles.

### **In the suburbs:**

- Since, 1986, suburban Cook County TIFs have collected slightly less than \$3 billion (2.968B).
- The largest TIF in suburban Cook is the Hoffman Estates-Sears TIF at \$27.5M, followed closely by the Glenview-Naval Air Station TIF at \$25.4M.
- The largest percentage TIF revenue increase in the suburbs was in Matteson, where the Lincoln Highway-Cicero Avenue TIF's 2007 revenue is more than 250 times its 2006 revenue, going from \$3,764 to \$1,013,063.
- The largest revenue decrease in the suburbs was in the City of Blue Island, where revenue for its Blue Island TIF No.1, located near Vincennes and 122<sup>nd</sup> Street, decreased almost 50%, from \$135,498 down to \$67,874.



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- The largest suburban TIF geographically is the Glenview-Naval Air Station TIF at 2.11 square miles.

“Because so much tax revenue has been going to TIFs, they have become the subject of controversy and debate,” Orr said. “I believe much more information needs to be made available to the public to assist taxpayers in making their own judgments on TIFs.”

The Clerk’s office is providing easy-to-use tools on its web site – [www.cookctyclerk.com](http://www.cookctyclerk.com) – for the public:

- A four-part annual report, which includes a breakdown of TIF distribution by agency over the past two years;
- An online TIF primer to help the public better understand the TIF process;
- TIF District maps online.

New this year, property tax bills direct homeowners to visit [cookctyclerk.com](http://cookctyclerk.com) for more information on TIFs. Taxpayers can view information on all TIFs in Cook County, not just in their area.

Orr encouraged municipalities to release easily accessible information on TIFs and joins others, including the Civic Federation and Cook County Commissioner Mike Quigley, in calling for greater transparency and full public disclosure on TIF expenditures during each of their annual budget processes.

“Municipalities need to do more to promote easily accessible information on TIFs, their budgets and expenditures,” Orr said. “Otherwise, the average citizen will remain locked out, unable to get the information he or she needs to make a reasonable judgement of how well TIF money is being spent and how TIFs impact the taxing bodies in their community.”