



**COOK COUNTY CLERK DAVID ORR**

69 W. Washington, Suite 500, Chicago, Illinois 60602



TEL (312) 603-0996 FAX (312) 603-9788 WEB [cookcountyclerk.com](http://cookcountyclerk.com)

MEDIA CONTACT: Courtney Greve  
312.603.0931 or [courtney.greve@cookcountyil.gov](mailto:courtney.greve@cookcountyil.gov)

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## **Clerk Orr calls for moratorium on new Chicago TIF districts** **2009 Report: Chicago TIF revenue totals \$520 million, up nearly 5 percent**

Cook County Clerk David Orr on Tuesday called for a moratorium of new Chicago tax increment financing districts until new leadership is installed and a thorough review of existing TIFs can be conducted.

“Too often, Chicago’s policy has been to collect millions in a piggy bank and decide how to spend it later,” Orr said. “Now, the city is plugging its budget hole with TIF money but TIFs were not created to be a safety net when the economy went sour. The TIF system is broken and it needs to be fixed.”

There are five goals Orr hopes to accomplish with a TIF moratorium:

1. Slow the proliferation of TIFs;
2. Examine the pool of TIF money to ensure all surplus is distributed;
3. Require future TIFs to have itemized project goals;
4. Reform budget processes to include TIF revenues and expenditures;
5. Continue TIF transparency efforts.

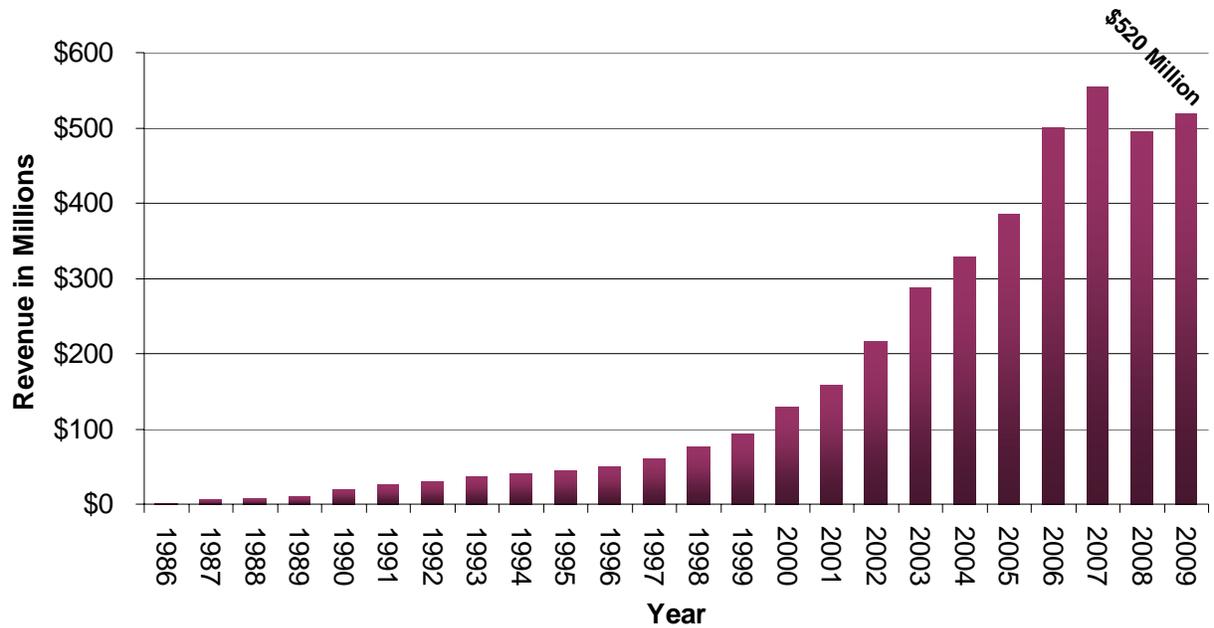
Orr added that TIF goals should be clearly defined and more available to public scrutiny. Development plans should be itemized rather than written with vague generalities, allowing for easier tracking of expenditures. With itemization, officials and observers will know whether the project is complete and therefore if a surplus can be returned to the taxing bodies.

Orr called for a minimum six-month moratorium on new Chicago TIFs at a press conference announcing the 2009 TIF Report.

The City of Chicago collected nearly \$520 million in TIF revenue in 2009 – an increase of 4.87 percent, or \$20 million – and added five new TIF districts, according to the Clerk’s data. Since 1986, more than \$4 billion has been collected from all TIFs in Chicago.

“More money has accumulated than anyone could have ever imagined,” Orr said. “Those funds may have been better used by the taxing bodies if surpluses were returned upon project completion, meanwhile reducing the burden on taxpayers.”

## Chicago TIF Revenue by Year (1986-2009)



In addition to the proposed moratorium on new TIFs, Clerk Orr supports Senate Bill 3151, sponsored by state Senators Terry Link and Christine Radogno and currently in the Assignments Committee. The bill would allow the value in a TIF district available to other taxing bodies to not be fully frozen for 23 years, but rather increase a bit each year as adjusted by the rate of inflation.

The Clerk's office also collaborated with The Civic Federation on a TIF transparency law sponsored by Link and Radogno and signed by Governor Pat Quinn on July 27. The law requires municipalities to publish 10-year status reports, hold public hearing on those reports, include TIF revenue and expenditures in annual budgets and submit TIF data to Illinois Comptroller's office, which will post the data on its website. The comptroller must also post a list of municipalities not in compliance with the new rules.

"These measures will slow the proliferation of TIFs and improve transparency," Orr said. "This is a starting point for mitigating the impact of TIFs on the remaining taxing districts and taxpayers."

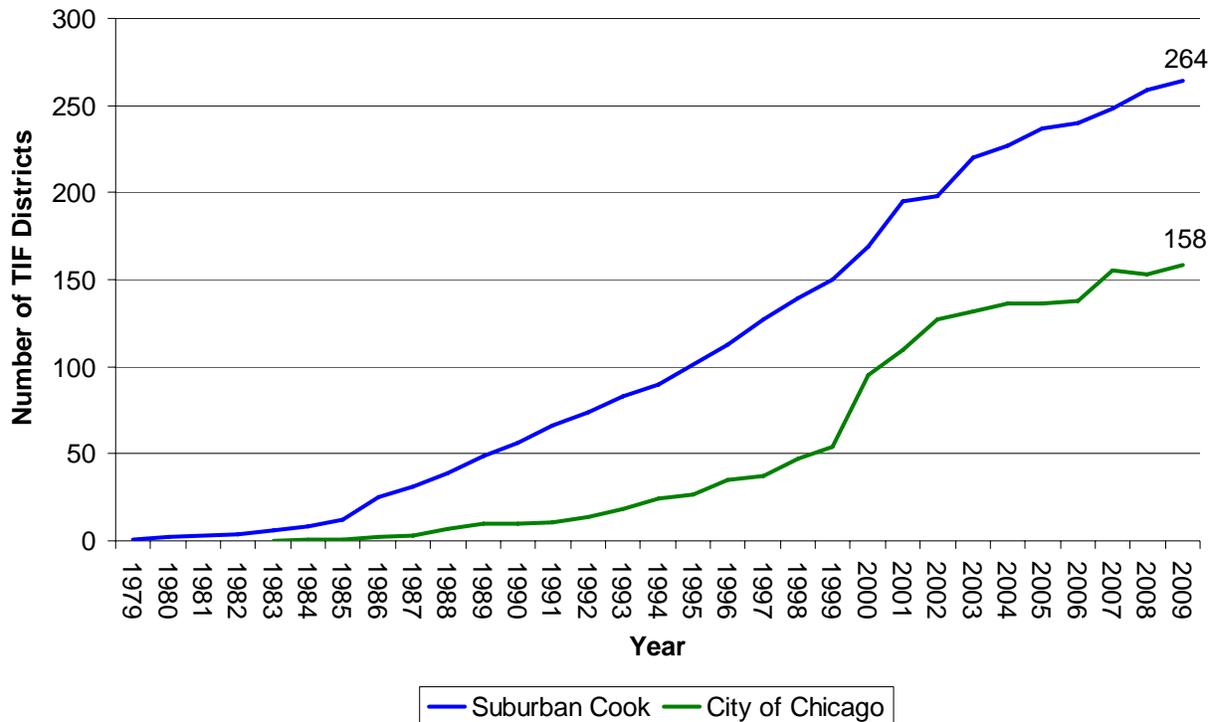
Nearly two-thirds of all TIFs experienced revenue increases in 2009, according to the report. Overall, the amount of money generated in 422 active TIFs countywide was \$839 million in 2009, down 4.1 percent from \$875 million in 2008. Suburban Cook County TIF revenue decreased by 16 percent to \$320 million.

"Even though TIF revenue dipped, taxpayers still contributed a whopping \$839 million into funds with little transparency and less accountability," Orr said.

Of about 1.8 million properties in Cook County, about 12 percent or 207,665 properties are located in a TIF district. Last year, Clerk Orr launched an online search tool that allows taxpayers to learn if their property is in a TIF district and if so, what percentage of their taxes goes into that TIF fund.

The number of TIFs has grown steadily in both Chicago and the suburbs since the late 1970s, as demonstrated in the graph "Number of TIF Districts by Year."

## Number of TIF Districts by Year (1979-2009)



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 reinvest all “new” property tax dollars in the neighborhood from which they came for a 23-year period. During that time, no tax revenue generated from increases in property values are allocated to schools, parks or other tax districts. TIFs may be cancelled earlier or extended an additional 12 years.

“Before we allow any new TIFs to be introduced in Chicago, we should take stock, reevaluate and then only try again if we’re convinced the program is more accountable,” Orr said.

Among the highlights from Orr’s report:

- Since 1986, more than \$4.081 billion has been collected from all TIFs in Chicago. That number does not reflect the whole lifespan of TIFs in Chicago.
- Since 1986, suburban Cook County TIFs have collected \$3.667 billion.
- The largest Chicago TIFs are: Near South (\$63 million), LaSalle Central (\$21 million) and Kinzie Conservation (\$19 million).
- The largest suburban TIFs are: Hoffman Estates-Sears (\$26 million) and Glenview-Naval Air Station (\$26 million).
- In the City of Chicago, TIF revenue increased 4.87 percent, or \$20 million, to \$519,715,715.20.
- In suburban Cook County, TIF revenue decreased 15.90 percent, or \$60 million, to \$319,285,053.81.

The Clerk’s 2009 TIF report shows revenue increased for 90 of 158 Chicago TIFs and for 90 of 264 suburban TIFs. For the 2009 tax year, 16 new TIFs were added – 11 suburban and 5 in Chicago.

## New & Terminated TIFs in 2009 Tax Year

### CHICAGO

#### **New TIFs (5)**

TIF Chicago- North Pullman	807 parcels
TIF Chicago- Irving Park / Elston	297 parcels
TIF Chicago- Avondale	240 parcels
TIF Chicago- Little Village East	652 parcels
TIF Chicago- Archer / Western	<u>1,133 parcels</u>
Total PINs added to Chicago TIFs for 2009 tax year	3,129 parcels

#### **Terminated TIFs (0)**

None	
Detach parcels from existing TIF Chicago – Wilson Yard	<u>11 parcels</u>
Total PINs removed from Chicago TIFs for 2009 tax year	11 parcels

### SUBURBAN COOK COUNTY

#### **New TIFs (11)**

TIF Village of South Chicago Heights #2	115 parcels
TIF Chicago Heights – 300 S. State St.	7 parcels
TIF Chicago Heights – Downtown	460 parcels
TIF City of Rolling Meadows #3	8 parcels
TIF Village of Lemont – Gateway	56 parcels
TIF Village of Justice #3	23 parcels
TIF Village of Summit – 63 <sup>rd</sup> Pl.	28 parcels
TIF Village of Matteson #5	15 parcels
TIF Village of Schaumburg Star Line / T.O.D.	626 parcels
TIF Village of Lansing – Bernice Road	405 parcels
TIF Village of Broadview – 17 <sup>th</sup> Ave.	151 parcels
Attach to existing TIF Village of Franklin Park-Mannheim/Grand	1 parcel
Attach to existing TIF Village of Homewood – Southwest	<u>11 parcels</u>
Total PINs added to suburban TIFs for 2009 tax year	1,906 parcels

#### **Terminated TIFs (5)**

TIF City of Blue Island #1	26 parcels
TIF City of Evanston – Downtown II	908 parcels
TIF Village of LaGrange - Downtown	460 parcels
TIF Village of Chicago Ridge-Tri State Southwest	135 parcels
TIF Village of Lansing – The Landings	66 parcels
Detach from TIF City of Berwyn-Berwyn Theatre Area	1 parcel
Detach from TIF Village of Skokie – Downtown	1 parcel
Detach from TIF Village of Lansing – West Lansing	<u>1 parcel</u>
Total PINs removed from suburban TIFs for 2009 tax year	1,598 parcels