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### *2011 TIF revenue continues 4 year slide*

*Real estate downturn and lower equalizer combine for 10% revenue drop;  
Orr says 80% of Chicago TIFs suffer double-digit revenue declines*

Cook County Clerk David Orr on Wednesday released the 2011 TIF revenue report, which shows just under \$729 million was collected in the 443 active tax increment financing (TIF) districts in Chicago (163 TIFs) and the Cook County suburbs (280 TIFs).

“The 2011 report shows that 80 percent of all Chicago TIFs saw double-digit revenue drops,” said Orr. “Only ten TIFs, or 6 percent of Chicago’s TIFs, saw revenue increases.”

Despite a net increase of 18 TIFs in 2011 countywide, revenue slid 10 percent from 2010, when taxpayers contributed \$807 million into TIFs. Revenue peaked in 2007 at \$892 million and has fallen each year since, for a total drop of 18 percent since 2007. The continuing decline is due to the real estate downturn, which yielded lower assessments that impacted the incremental value—plus this year’s lower equalizer, which also fell 10%, from 3.3000 to 2.9706.

The City of Chicago will collect \$454 million for the 2011 tax year—an 11 percent decrease from the \$510 million generated for 2010. Since 1986, more than \$5 billion has been collected from all Chicago TIFs. All but one of the new TIFs in 2011 were in the Cook County suburbs.

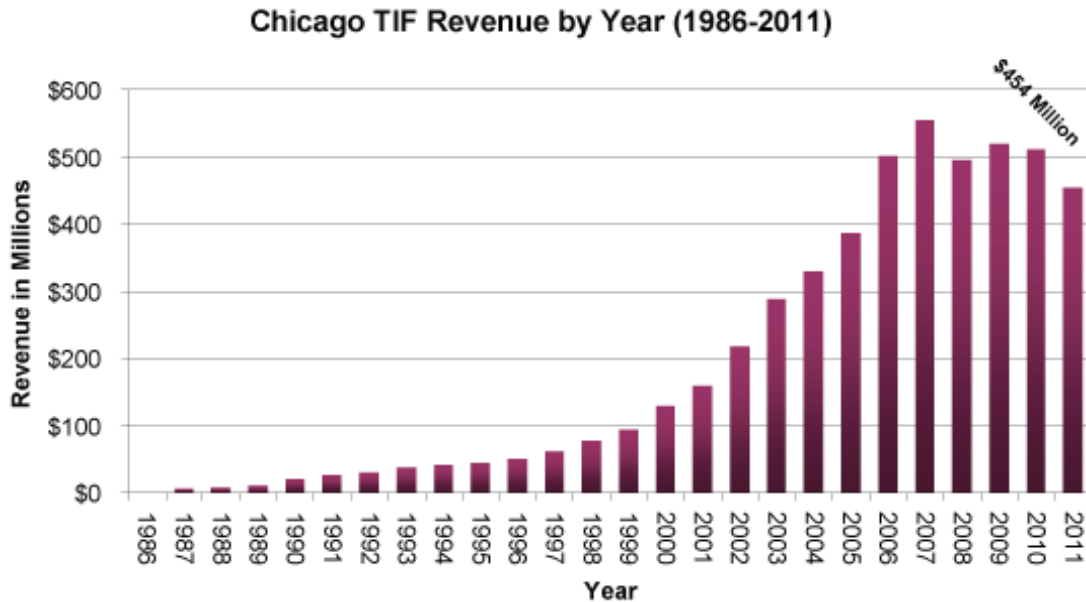
Nine TIFs which generated revenue in 2010 brought in zero dollars in 2011. This included the LaSalle Central TIF, which had previously been one of the top five revenue-generating TIFs. It generated \$12 million in 2010 and \$20 million in 2009.

“These dramatic declines raise critical questions. What are the legal and financial implications of falling revenue on TIF obligations for bonds or other developmental commitments like the River Point development in the LaSalle Central TIF?” said Orr. “How will revenue declines affect adjoining TIFs?”

Key Chicago highlights from Orr’s report:

- ✓ Since 1986, over \$5 billion has been collected from all TIFs in Chicago.
- ✓ No Chicago TIFs were cancelled in 2011.
- ✓ The largest Chicago TIFs are: Near South (\$61.9 million); Canal/Congress (\$19.3 million); and Kinzie Conservation (\$18.3 million).

- ✓ Only ten Chicago TIFs had any revenue increases.
- ✓ The nine Chicago TIFs with revenue in 2010 but none whatsoever in 2011 were Ewing, Harlem Industrial Park, Irving Park/Elston, Kennedy Exp/Kimball, LaSalle Central, Little Village Industrial, Pershing/King, Randolph/Wells and West Woodlawn.



TIFs in suburban Cook County also saw an overall revenue decline of 7.7 percent, from \$298 million in 2010 to \$275 million in 2011. Revenue decreased for 133 of 280 active suburban TIFs, or about 48 percent of TIFs. Revenue increased for 75.

Other suburban highlights in Orr’s report:

- ✓ Three suburban TIFs were cancelled in 2011, one each in Berwyn, Hanover Park and Bensenville. Berwyn and Hanover Park ran through their full lifespan; Bensenville closed roughly ten years early.
- ✓ Twenty new suburban TIFs were added in, coming from Bedford Park, Berwyn, Blue Island, Brookfield, Franklin Park (3) Glenwood (3), Hodgkins, Homewood, Lincolnwood, Matteson, Palos Heights, River Grove, Summit, Elgin, Homewood and Schiller Park.
- ✓ The same 5 suburban TIFs have 2011 revenue in excess of \$10 million as did in 2010:
  - Glenview: Naval Air Station (\$27.5 million, up 1.5%)
  - Hoffman Estates: Sears (\$23.4 million, down 10%)
  - Rosemont 1: (\$17.5 million, up 1.7%)
  - Rosemont River Road: (\$13.1 million, up 0.3%)
  - Cicero: (\$11.4 million, up 7.5%)

In November 2010, Orr called upon the Daley Administration for a TIF moratorium to let the new mayor devise new TIF policies. The city’s only new TIF was created the week before Mayor Emanuel’s inauguration. “I’m glad that the stampede has slowed,” Orr added.

Orr and others have been concerned about a lack of transparency, significantly more investment in the loop than in neighborhoods, difficulty in getting information on decision-making, and concerns that money was stockpiled without conforming to serious long term objectives.

“Anyone who reads the paper knows that TIFs are still controversial. But that may be necessary. Any significant government policy should be discussed by all interested parties in the light of day, rather than behind closed doors,” said Orr. “I consider healthy debate a step forward.”

Emanuel’s panel proposed building a set of metrics for the City Council and Economic Development team to use to decide whether a TIF should continue or have its development strategy revised.

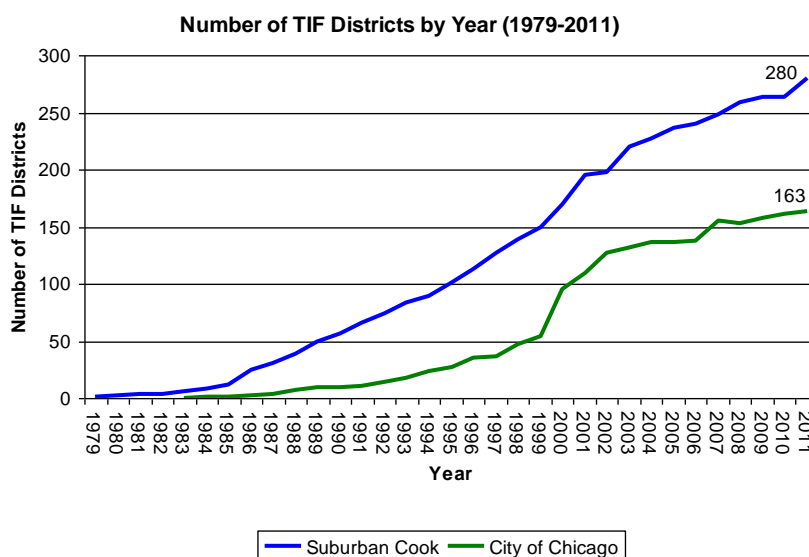
“While the jury is still out concerning Chicago’s review of TIF policy, I’m encouraged by the panel’s proposal to evaluate TIFs,” Orr added. “We, like others, are eager to see how and when the mayor will move ahead on their recommendations. One positive sign is the surplus declared in 105 TIFs at the end of 2011, implying that a system-wide evaluation was conducted, which is something TIF observers have requested for years.”

Of about 1.86 million properties in Cook County, 12 percent or 223,243 properties are located in a TIF district. Clerk Orr’s website features an online 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.

“With such a significant portion of our real estate falling into one of the TIF districts, it is incumbent upon municipal governments to include TIF districts in their budgeting process. In a time of such economic challenge, it is only fair to put everything on the table. Otherwise the public cannot have a clear sense of their community’s fiscal strengths and liabilities,” Orr said.

Tax increment financing (TIF) is 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 TIF area 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. Under state law, TIFs may be cancelled earlier or extended an extra 12 years.

While the number of TIFs has grown steadily since the late 1970s, as shown in the graph “Number of TIF Districts by Year,” they have leveled off in Chicago, while continuing to climb in the suburbs.



To view data on each TIF district, see these PDF sections of the TIF Report: [Countywide summary](#), [Chicago summary](#), [Suburban summary](#), [Tax Increment Agency Report](#).

New for this year are additional charts showing grand totals for revenue generated by TIFs in the [city](#) and the [suburbs](#), from the time of each TIF's implementation. There are also color-coded map distinguishing TIFs with revenue losses and gains for the [city](#) and [county](#) as a whole, plus a map of TIFs in the loop including the [LaSalle Central TIF](#).

[Previous TIF reports](#), the [TIF property search tool](#), and [TIF maps](#) can be found at [cookcountyclerk.com](http://cookcountyclerk.com).

The information contained in this report reflects the 2011 tax year, billed and collected in calendar year 2012.