



**Aldermanic Briefings**  
**Tax Increment Financing**  
November, 2009

Department of Community  
Development  
Christine Raguso, Acting  
Commissioner





# TIF: The Basics

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- Since TIF began in 1984: 167 created; 1 expired, 6 repealed or terminated
- There Are Currently 160 Active TIFs
  - Nearly half of all TIFs have less than \$2 million
  - 125 TIFs have less than \$10 million
- 2008 total collection: \$570 million (approx.)

# 2009 TIF Projections Summary

|                            |               |
|----------------------------|---------------|
| Estimated 2009 Obligations | \$519,914,373 |
| Potential Project Dollars  | \$483,460,340 |

## Distribution of Funds if Surplus Declared

|                                  |                      |
|----------------------------------|----------------------|
| - 23.8% returned to General Fund | \$ 96,692,068        |
| - 51.33% to CPS                  | \$241,730,170        |
| - 9.68% to Cook County           | \$ 48,346,034        |
| - 6.71% to Park District         | \$ 33,842,223        |
| - 5.23% to MWRD                  | \$ 24,173,017        |
| - 3.23% to City Colleges         | \$ 15,615,769        |
| - <b>TOTAL</b>                   | <b>\$483,460,340</b> |

## What TIF Can Fund

*Only certain eligible expenses are allowed under state law.*

### ELIGIBLE TIF COSTS

- TIF program administration costs
- Property acquisition
- Rehabilitation or renovation of existing public or private buildings
- Construction of public works or improvements
- Job training
- Relocation
- Financing costs, including interest assistance
- Studies, surveys and plans
- Marketing sites within the TIF
- Professional services, such as architectural, engineering, legal, and financing planning
- Demolition and site preparation

## What TIF Cannot Fund

*Only certain eligible expenses are allowed under state law.*

### INELIGIBLE TIF COSTS

- General government operations – costs that would be incurred regardless of whether a TIF area was designated, or costs not directly tied to TIF program administration
  - Includes police and fire costs
- New construction (except for affordable housing and certain municipal projects)

# What Chicago Has Done With TIF Funds

- TIFs have financed more than \$560 million in public improvements exclusive of parks and schools – streets, alleys, etc.
- In 2008 alone, TIFs paid for \$198 million in capital improvements including work on the CTA.
- Expenditures for public improvements, like street and sidewalk repairs as well as parks and open space, account for nearly one-third of TIF expenditures.
- The City has made a long term commitment to provide \$876 million to rehabilitate or construct new public schools located in TIF districts.
- Since 1999, the TIF/Neighborhood Improvement Program (TIF/NIP) has provided \$17.9 million in TIF proceeds to help 2,6,87 units in 17 communities across the city.
- Since 2001, TIF funds have helped more than 400 businesses in more than 40 TIF districts with more than \$13 million in grants through the Small Business Improvement Fund (SBIF).
- TIFWorks is funding 54 businesses with \$2.9 million train 2,309 workers and hire 138 new employees.

## Projects in Jeopardy Without Funds

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- Wells Street Infrastructure (2<sup>nd</sup>)
- Rosenwald Apartments Redevelopment (3<sup>rd</sup>)
- Finkl Steel Move (300 jobs) (8<sup>th</sup>)
- Future Park Development Celotex Site (12<sup>th</sup>)
- Ping Tom Park (2<sup>nd</sup>, 25<sup>th</sup>)

## Projects in Jeopardy Without Funds

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- Public Library (25<sup>th</sup>)
- Cinespace Film Studios- Redevelopment of Former Ryerson Site (28<sup>th</sup>)
- Mt. Sinai Hospital Redevelopment (28<sup>th</sup>)
- WMS Games (33<sup>rd</sup>)
- Granville Streetscape(48<sup>th</sup> )
- Howard Street Streetscape (49<sup>th</sup>)