Creation vs. Capture: Evaluating the True Costs of Tax Increment Financing

BY SHERRI FARRIS, AAS, AND JOHN HORBAS, AAS

Tax Increment Financing (TIF) is a tool for promoting economic development, available to individual municipalities but requiring the approval of state legislatures and adherence to state-determined standards. The intended purpose of TIF is to create growth and to the extent that TIF districts increase property values, they provide a long-term benefit to a city and its taxpayers. TIF use is controversial because it captures a portion of the property tax base that local governments and schools rely upon for funding—which in turn impacts tax rates and thus property tax bills. Despite the extensive use of TIF, there is little empirical evidence of its effectiveness in promoting economic growth, while there is some indication that TIF districts benefit disproportionately from already occurring growth.

This article will examine tax increment financing by focusing on its use in Cook County, Illinois, and in particular, its implementation in the City of Chicago. The use of TIF in Chicago has increased to the point that a substantial portion of the property tax base and the land area of the city are now contained within TIF districts.

Understanding how TIF works is important because it affects the property tax bills of individual taxpayers throughout the jurisdiction—not just those located within a TIF district, but all taxpayers in the City and Cook County. Because TIF keeps a portion of the property value out of the general tax base, tax rates calculated using the remaining base are higher then they would be otherwise. This is true to the extent that some or all of the property value growth in TIF districts would have happened without the TIF activity.

TIF also affects the tax dollars that each taxing agency collects though the impact is not as great as the effect on taxpayers. Each agency submits a levy request for property taxes, which is divided by the available tax base to arrive at the tax rate necessary to provide that amount in tax revenues. The levy amount does not change if the base is lower because of TIF. However, TIF can

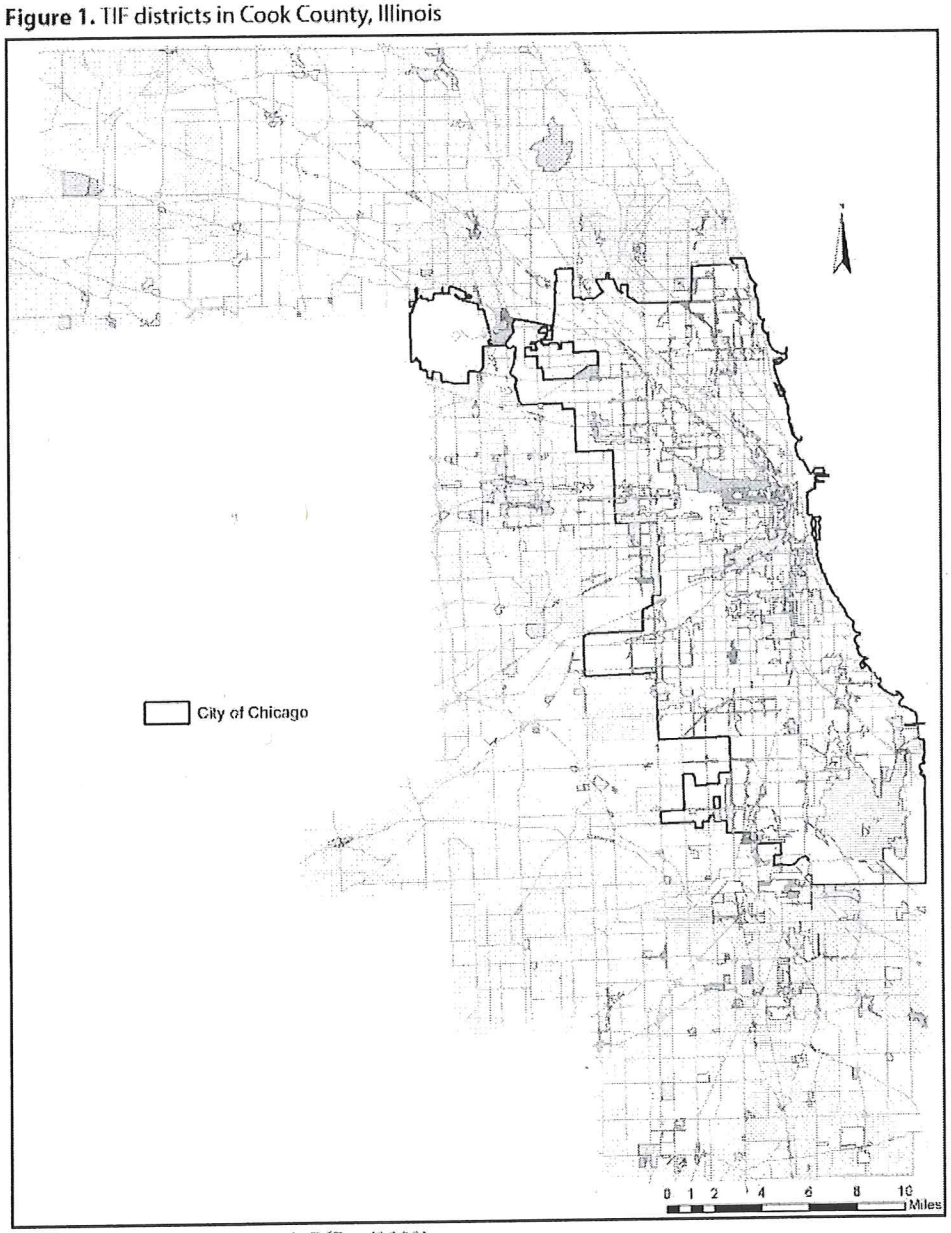
Sherri Farris, AAS, *is a senior research analyst for the Cook County (IL) Assessor's Office, a position she has held since 2003. She holds a master's degree in public policy from the University of Chicago.*

John Horbas, AAS, *is Director of Research at the Cook County Assessor's Office. He has worked in the assessor's office for 25 years and has served as Director of Research since 2063. He holds a master's degree in economics from DePaul University, Chicago.*

have an indirect effect on the ability of taxing agencies to increase their levies. Any pressure on the property tax in the form of higher taxes contributes to the difficulty of increasing the tax.

The Cook County Clerk's 2007 TIF report, which was the latest data available when this research was conducted, listed 402 TIF districts throughout Cook County. (See figure 1.) There are 161 TIF districts in the City of Chicago. TIF districts now comprise approximately 26 percent of the city's land area and almost a quarter of the total value of commercial property is in TIF districts and therefore not included in the general tax base. In 2005, taxes allocated to TIF districts totaled $386.5 million, and in 2006, this amount increased by almost 30 percent to $500.4 million. This last figure is more than the city budgets for its Streets and Sanitation Department, which provides

Figure 1. TIF districts in Cook County, Illinois



Source: Cook County Assessor's Office (2008)

such essential city services as street repair, snow removal, and garbage pick-up. Yet, revenues captured by TIF districts do not appear in the city budget or in any easily accessible public document.

The purpose of this article is to illustrate both the difficulties in determining the effectiveness of TIF and the importance of considering its costs and benefits as an economic development tool. After a brief introduction of the general features of TIF in all states and of the specifics of its application in Illinois, the article will discuss the mechanics of TIF operation in Cook County and Chicago and how it interacts with the property tax system. The article will then examine in-depth the implementation of TIF districts in Chicago, including TIF revenues, expenditures, and redevelopment activities.

The burden as well as the administration of the property tax has been the subject of much scrutiny, particularly during the rapid rise in residential property values and the current market slowdown. In spite of this intense public scrutiny, the effect of TIF on tax burdens has received relatively little examination. The goal of this article is to focus attention on this important part of the property tax system and to emphasize its effect on taxpayers and make clear the necessity of measuring the effectiveness and cost of TIF.

Tax Increment Financing Basics

TIF was first used in California in 1952. As late as 1970, only a few states had adopted TIF programs, but by 2004, all 50 states had passed legislation authorizing the use of TIF.

The specifics vary by state but the general mechanism is the same: a geographic area is defined at the creation of the TIF, the taxable property value for the area is frozen, and any revenues from subsequent growth in property value goes into a fund that is used to finance improvements in the district. Usually, the incremental growth is a result of redevelopment financed by debt incurred with the expectation of increased tax revenues. These new revenues are then used to repay the debt. Most states set time limits on the lifespan of TIF districts and restrict their use to blighted or distressed areas. Definitions of key terms that will be used during this discussion of TIF are provided in figure 2.

Illinois adopted TIF in 1977 with enactment of the Tax Increment Allocation Redevelopment Act. A reform to the legislation was instated in 1999. The stated purpose of TIF in Illinois is to promote economic revitalization by underwriting development in blighted areas in order to increase property values and make further development more attractive. Each TIF district is authorized for 23 years based on a broad set of standards for what constitutes an eligible area. The Equalized Assessed Value (EAV) at authorization is frozen, and remains the tax base for all other taxing bodies for the life of the district. Tax revenues from subsequent growth in EAV are collected and deposited in a fund for the TIF

Figure 2. Definition of terms

Levy: amount of money a taxing body can collect from the property tax base in a given tax year

Equalized Assessed Value (EAV): property value for the purpose of calculating property taxes; each property has an EAV and the total EAV for all properties is used to determine the tax rate

Frozen EAV: property value in a TIF district on which taxing bodies other than the TIF district can collect taxes; frozen EAV amounts are included in the EAV total when tax rates are calculated

Increment EAV: property value on which a TIF district can collect taxes; this value represents new EAV (either increased value caused by TIF activity, or growth that would have occurred anyway, or some combination) since the TIF was created

Tax rate: the percentage calculated by dividing the levy by the EAV (with increment EAV excluded); a rate is calculated for each taxing body based on their specific levy requests and the EAV available to them; the composite rate is the sum of all of the tax rates of individual taxing bodies

district. These funds are then available either to directly fund TIF development activities or to make payments on debt incurred to finance development.

Illinois statutes require a process of public notice, public meetings or hearings, and agreement from affected taxing bodies before a municipality can create a new TIF district. A representative from each affected taxing body sits on the Joint Review Board which approves TIF district creation. Once a municipality has completed this process, it must pass an ordinance creating the new district. Each TIF district has a redevelopment plan that specifies the projects that will be undertaken and must file an annual report with the state comptroller.

When a TIF reaches its 23-year expiration date, the municipality must enact an ordinance dissolving the district. At that point, the county clerk eliminates the frozen value and returns the properties to their full value on the tax roll. Any excess money the district has collected is turned over to the county treasurer for redistribution to the appropriate taxing bodies. Municipalities also have the option to extend a district up to 35 years total. To renew a TIF district, a municipality must follow a prescribed process of public notice and agreement from the affected taxing bodies, just as it does to create one.

For states and their individual municipalities, TIF is essentially a tool to leverage financing. A classic TIF district borrows against expected future growth and uses those borrowed funds for development within the district. This new development creates and promotes growth in property values and the revenues from that growth are used to repay the original debt. The premise is that any new development funded through TIF would not have occurred without the TIF—usually referred to as *but for*, as in "*but for* the TIF the development would not have happened."

TIF districts are also permitted to operate on a pay-as-you-go basis, using revenues for development as they come in without incurring debt. In this latter approach, however, TIF becomes simply a means to reallocate a portion of the general property tax base to TIF project financing, even though the increase in the property tax base would have occurred without the TIF.

Tax Rates and Taxes

To understand the impact of TIF on property taxes in the City of Chicago and Cook County, it is first necessary to understand how the property tax system operates in Illinois, and in particular, how tax rates and taxes are calculated. During a given tax year, the local assessor's office determines the assessed value for all properties—this is a percentage of the full market value of a property—as of January 1 of the tax year. In Cook County, this percentage varies by type of property. For example, in the 2007 tax year those percentages were: residential—16 percent, apartment—22 percent, non-profit—30 percent, commercial—38 percent, industrial—36 percent, and vacant land—22 percent. In addition, certain incentive programs lower the percentage that would otherwise be assessed. For the rest of the state, the assessed value is 33.33 percent of market value.

In an attempt to ensure that assessment levels are uniform throughout the state, the Department of Revenue calculates a state multiplier. This figure is applied to assessed values in Cook County so that the overall ratio of assessed value to full market value is 33.33 percent. After the multiplier is applied, any exemptions (such as those for homeowners and seniors) are deducted to arrive at the taxable value—or EAV—for every property.

In Cook County, the process of calculating tax rates and individual tax bills begins when taxing bodies submit their levy requests to the county clerk. The levy is simply the amount of revenue taxing bodies need from property taxes to meet their budget requirements. Many taxing bodies must limit increases in their prop-

erty tax revenues to the rate of inflation or 5 percent, whichever is less. This is known in Illinois as a PTELL limitation after the acronym for the authorizing statute, Property Tax Extension Limitation Law (1987). The law took effect in Cook County in 1994.

Each taxing agency—school, city, village, library, park district, and so on—has a levy and an available EAV, from which a tax rate is computed by the county clerk. The tax rate is calculated by dividing the levy by the total taxable property value (EAV).

Taxes Requested (Levy) / Taxable Property Value (EAV) = Tax Rate

Rates for all of the agencies in an area are combined to make the composite rate that is applied to individual properties. For example, if the school rate is 3%, the city's is 2%, and the park district's is 1%, the composite rate is 6%: 3% + 2% + 1%. Taxes for individual properties are a product of the composite tax rate and the taxable property value of the property. The clerk calculates tax rates for each of the taxing bodies, computes a composite rate, and applies this rate to the EAV of individual properties to produce tax amounts for each property.

Property EAV = $45,000

Composite Tax Rate = 6%

Tax Bill = 45,000 × 6% = $2,700

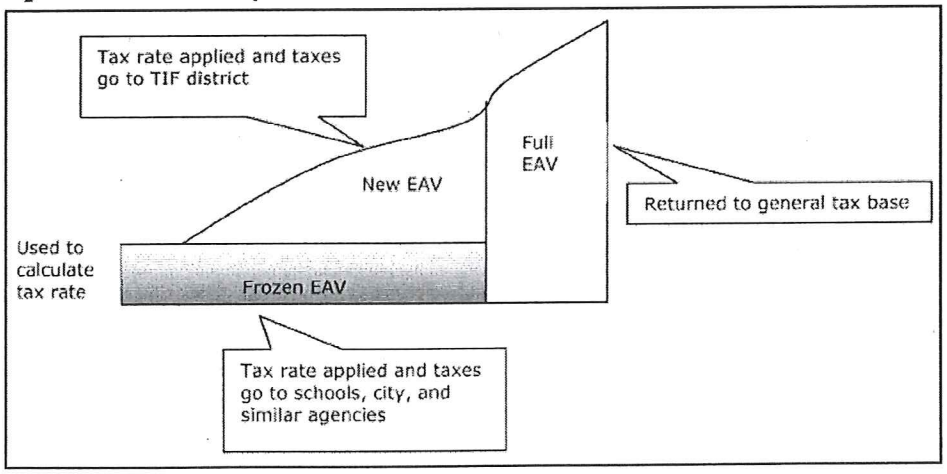
When a TIF is created, any increase in EAV within the TIF is no longer added to the EAV available for other taxing bodies (figure 3). It is not included when tax rates are calculated, and the taxing bodies receive no revenue from that EAV. This tax rate is applied to any incremental TIF EAV, so that any increase in property values within the TIF district generates tax dollars for the TIF district. In other words, any growth in the property values within a TIF district is taxed at the regular tax rate, and the tax dollars go into that district's funds. Taxes from the frozen amount of EAV go to the other taxing bodies.

A common misconception is that the property tax dollars are frozen. It is, in fact, the EAV that is frozen—the value of the property within the TIF for tax purposes. Any annual increases—or decreases—in the tax rate can still be applied.

Growth and Revenues

One of the most prevalent misconceptions about the mechanics and effects of TIF (and one of the most frequently mentioned in newspaper articles) is that the tax dollars collected by TIF districts is a pot of money that would have otherwise gone to schools, parks, libraries, and other providers of public services. TIF district monies would not go to these other taxing bodies, either

Figure 3. Allocation of equalized assessed value within a TIF district



because they are subject to the PTELL limit on per-year increases (or, like the City of Chicago, they voluntarily subject themselves to that limit) or because they are an agency that can levy for as much as they want. The Chicago Public Schools, for example, have increased their property tax amount by the allowable inflationary increase for the past several years. In other words, they have collected what they are allowed to collect, TIF or no TIF. Neither the City of Chicago, until recently, nor Cook County have increased their total property tax amount for several years. They collected exactly the same amount of money from the property tax base.

Moreover, if TIF districts caused all the growth in value on existing properties within their bounds, there is no cost to taxing agencies and no effect on tax bills. If TIF redevelopment activities caused only *some* of the value growth in existing properties, there is no cost to taxing agencies but tax bills are higher than they would have been without TIF. To the extent that TIF districts were not responsible for the growth of new property within them, taxing agencies lose revenue over the course of the life of each TIF district. This revenue loss is mitigated somewhat when the additional EAV created by the new property is returned to the tax base when the TIF term expires. If all new growth in property value within a TIF district is attributable to TIF, then taxing bodies do not lose any revenues and taxpayers do not have higher tax bills than they otherwise would have had. In these circumstances, TIF has performed perfectly—creating growth when no growth would have occurred. At the end of the life of the TIF, taxing bodies and taxpayers benefit from the expanded tax base.

The Impact of Growth on Existing Properties

The following example illustrates how TIF works under different assumptions of the effect of TIF on property value growth. Starting with a simplified example levy and EAV, examples of changes for the following year with TIF and without TIF are given. In Year One, the assumptions and calculations are as follows:

Year One: Before Hypothetical TIF

Levy = 50,000

EAV = 500,000

Rate = 50,000/500,000 = .10 or 10%

The following year, a TIF district is created, covering part of the hypothetical taxing area. The assumption is that property value will be higher because of TIF. It is also assumed that the levy will increase over the previous year. Within the TIF district, property values grow because of TIF, and some growth also occurs outside of the TIF area. The total EAV increases by $100,000 over the previous year—$30,000 within the TIF and $70,000 in the rest of the area.

Year Two: With TIF

Levy = 52,000

Total EAV = 600,000

EAV growth in TIF = 30,000

Other EAV growth = 70,000

Available EAV = 570,000

Rate = 52,000/570,000 = .09123 or 9.123%

In this scenario, the taxing agency receives its levy, and the TIF district receives tax revenues from its EAV growth.

Taxes to Agency = 570,000 × 9.123% = $52,001

Taxes to TIF district = 30,000 × 9.123% = $2,737

Taxes for a property with EAV of $25,000= $2,281

If it is assumed that no TIF district is created and that without TIF, no growth in property values occurred in what would have been the TIF area, then the available EAV and tax rate are the same

as if the TIF had been created. The levy still increases by the same amount over the previous year and the same amount of growth occurs in the rest of the area—$70,000 in additional EAV.

Year Two: No TIF, No Growth

Levy = 52,000

Total EAV = 570,000

No EAV growth from TIF

Other EAV growth = 70,000

Available EAV = 570,000

Rate = 52,000/570,000 = .09123 or 9.123%

In this scenario, the taxing agency still receives the same amount of tax dollars, and taxpayers have the same tax rate applied to their property values, and thus the same tax bills.

Taxes to Agency = 570,000 × 9.123% = $52,001

Taxes for a property with EAV of $25,000= $2,281

However, if it is assumed that some growth would have occurred in the TIF area even without TIF—say, $20,000 in EAV—and the same growth occurs in the rest of the area—$70,000 in EAV, and the levy increases by the same amount, the result changes in the following way.

Year Two: No TIF, Some Growth

Levy = 52,000

Total EAV = 590,000

No EAV growth from TIF

Growth in TIF area = 20,000

Other EAV growth = 70,000

Available EAV = 590,000

Rate = 52,000/590,000 = .08814 or 8.814%

In this case, the taxing agency still receives the same tax dollars but taxpayers have a lower tax rate applied to their property values than they would have had—both with TIF, and without TIF if TIF caused all growth in the TIF area. The rate is lower when growth in the TIF area occurs without TIF because the higher EAV is available for calculating the tax rate.

Taxes to Agency = 590,000 × 8.814% = $52,002

Taxes for a property with EAV of $25,000 = $2,204

Table 1 shows the tax rate and the tax amount a property with an EAV of $25,000 would pay under each of the three scenarios. The difference between the two rates—9.123 percent if TIF caused all growth and 8.814 percent if some growth would have occurred without TIF—is the cost to taxpayers of growth that was allocated to TIF but not caused by TIF.

Table 1. Tax rates and taxes for a property with EAV of $25,000

	With TIF	No TIF No growth	No TIF Some growth
Property Taxes	$2,281	$2,281	$2,204
Tax Rates	9.123%	9.123%	8.814%

Under the assumption that not all growth within the TIF area is attributable to the TIF, tax bills would be lower without TIF than with it. In this example, taxes are 3.5 percent higher because of growth not caused by TIF activity but captured within the TIF district.

The following calculations show what would happen if the hypothetical example were carried out an additional 22 years, encompassing the entire life of a typical district.

End of 23-year Life of TIF

Levy = 90,000

Total EAV = 2,010,000

EAV growth in TIF = 210,000

Other EAV growth = 1,800,000

Available EAV = 1,800,000

Rate = 90,000/1,800,000 = .05 or 5%

If all of the EAV growth attributed to the TIF over this time period was not caused by TIF activity—in other words, would have occurred regardless of the existence of the TIF—then the rate would have been 10 percent lower.

Rate = 90,000/2,010,000 = .04478 or 4.478%

If half of the growth was not due to TIF, the rate would have been 5.5 percent lower.

Rate = 90,000/1,905,000 = .04724 or 4.724%

The effect of TIF is therefore on tax rates and taxes, and the magnitude of the effect depends on how much (or how little) growth is caused by TIF activity.

The Impact of the Addition of New Properties

Property value growth in TIF districts can also occur through the addition of new properties. In the hypothetical examples thus far, the levy was $52,000, so the taxing district received the same revenues regardless of whether or not a TIF was created and whether or not growth in the TIF area was entirely or only partly because of TIF.

Growth from new properties within a TIF area but not caused by TIF, however, does result in lost revenues to taxing agencies because of the way tax rates are calculated. As the calculations in figure 4 show, in the first year that new properties are added, they are not included in the EAV used to calculate the tax rate, but they are included in the EAV to which the rate is applied. This means that the rate is applied to a higher property value, resulting in more tax dollars for agencies. If the value of new properties is in a TIF district, taxing bodies do not get the benefit of that increase in tax dollars for each year TIF is in existence. When TIF expires, the total increase in property value during the life of the TIF is added to the base but not included in the rate calculation (for the first year), so the taxing bodies receive more revenue. Thus, taxing agencies lose revenue from new construction that would have occurred without TIF, as the increased value would have generated taxes without lowering the tax rate.

TIF Implementation in Chicago

Reporting Requirements

As part of the reform to the Illinois TIF statute (Tax Increment Allocation Redevelopment Act 1999), municipalities must submit annual reports for each TIF district to the state comptroller. These annual reports provide more information on TIF districts than was available

Figure 4. Growth from new properties—with and without TIF

With TIF
Levy: 52,000
Total EAV: 600,000
EAV growth in TIF, existing properties = 15,000
EAV growth in TIF, new properties = 15,000
Other EAV growth, existing properties = 60,000
Other EAV growth, new properties = 10,000

Available EAV for agency tax base = 570,000 (Total EAV minus 30,000 in TIF)
EAV for calculating agency tax rate = 570,000 – 10,000 (new properties not in TIF)

Year Two Levy / EAV for agency tax rate = Rate
52,000 / 560,000 = .09286 or 9.286%

Taxes to Agency = EAV for agency tax base × Rate
Taxes to Agency = 570,000 × 9.286% = **$52,930**

Without TIF
Levy: 52,000
Total EAV: 600,000
EAV growth, existing properties = 75,000
EAV growth, new properties = 25,000

Available EAV for agency tax base = 600,000
EAV for calculating agency tax rate = 600,000 – 25,000 (new properties)

Year Two Levy / EAV for agency tax rate = Rate
52,000 / 575,000 = .09043 or 9.043%

Taxes to Agency = EAV for agency tax base × Rate
Taxes to Agency = 600,000 × 9.043% = **$54,258**

prior to 1999, but there are still significant gaps. For instance, municipalities are required to provide a list of vendors paid more than $5,000 during the report year, as well as a project-by-project review of public and private investment undertaken (from November 1, 1999, to the end of the fiscal year of the report), but these items are reported separately, making it impossible to determine which vendors contributed services to which project. In addition, the table of project-by-project public and private investment frequently reports the private investment as "n/a" so that the actual amount of private investment cannot be measured or compared to public investments.

Debt service is reported as well, but incompletely. If there is any financial activity or cumulative deposits over $100,000, municipalities are required to provide audited financials and a certified audited report, which are completed by private accounting firms. Municipalities must also report any debt obligations that they have issued and provide an analysis of debt service. Despite these reporting requirements, it is difficult to determine whether an individual TIF district will be able to retire its outstanding debt by the TIF expiration date. In addition, each fiscal year's report only includes obligations incurred in that year, and the amount set aside for debt service—not the total remaining debt. Finally, because the reporting requirements were not put in place until 1999, there is no data on activities prior to that year. This makes it difficult to evaluate the costs, benefits, or effectiveness of districts created prior to 1999.

These data gaps need to be addressed so that the costs and benefits of TIF can be examined, both by researchers and the general public. In the City of Chicago, there is the additional barrier that the annual reports are not readily accessible. They are not available online, and must be requested in person from the city's Department of Planning and Development. This department produces a CD with a PDF file of each individual TIF report. These CDs are available for an indeterminate time once the reports are completed but reports from previous years are not available. For researchers, the fact that the information is not in electronic form creates the added difficulty that figures must be gleaned from each individual report and data-entered before they can be used for analysis.

City of Chicago TIF Districts

As of the 2007 annual reports, there were 157 TIF districts within the City of Chicago, 17 of which were added in 2006 and 2007. TIF districts now comprise 26 percent of the city's land area. (See figure 5.) The first TIF district, Central Loop, in Chicago's downtown business district, was authorized in 1984, but most districts—94 percent—were authorized in 1990 or later. What's more, almost half of all districts were created in 2000 or later (appendix A).

A total of nearly $2.5 billion in revenues has been collected by TIF districts in the City of Chicago from 1986 to 2006. By the end of 2007, the fund balances for all Chicago districts totaled $1.5 billion, with a little more than $253 million reserved for debt payments (appendix A).

Seventy-five percent of all Chicago TIF districts have no funds reserved for debt service. This would suggest that these districts are utilizing revenues from naturally occurring growth in property values instead of borrowing to make initial investments in development within the district. However, this practice contradicts the fundamental premise of TIF that growth and investment would not occur but for leveraged development financed through bonds with the debt repaid through the increased revenues generated by TIF-related activities.

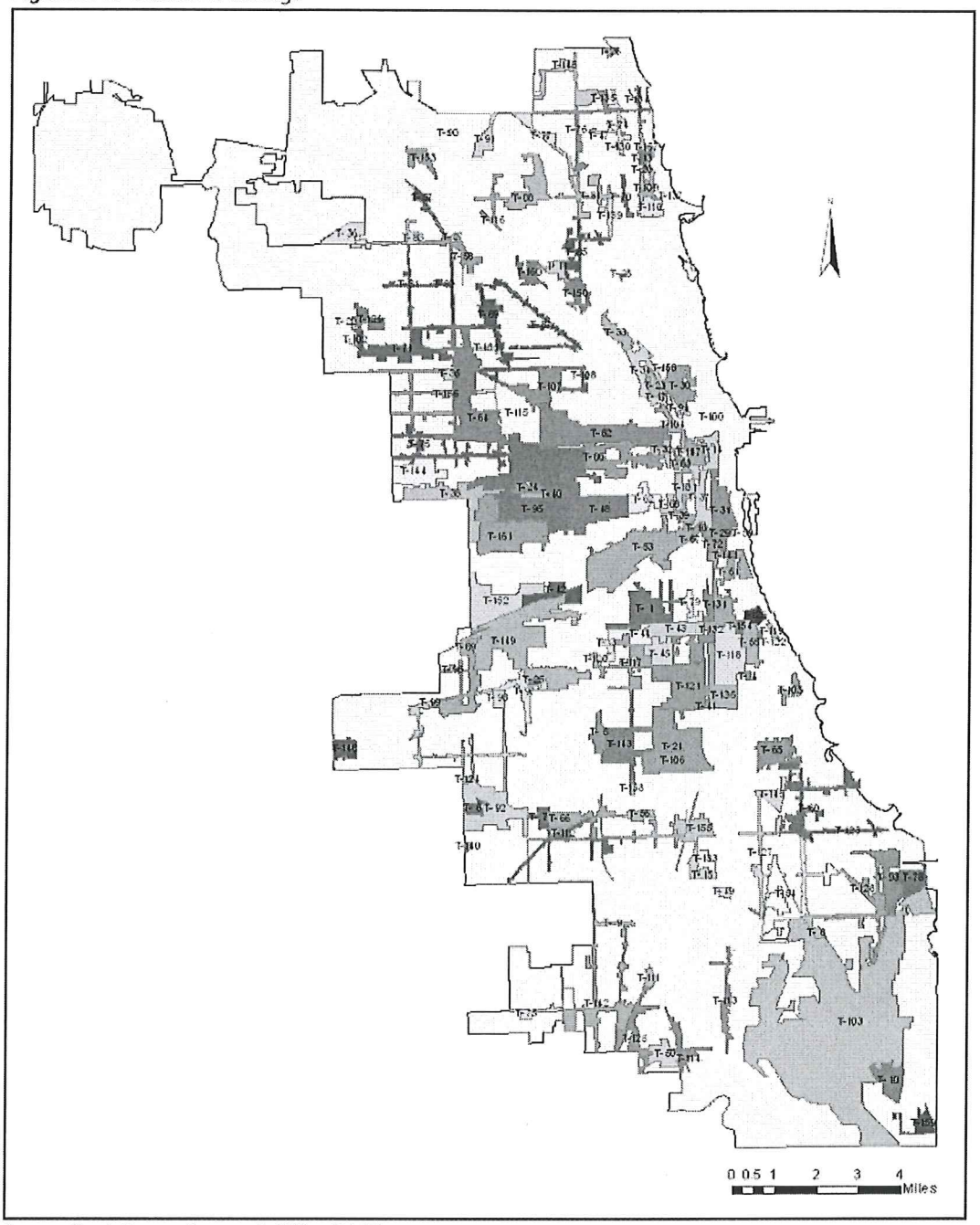
Fiscal year 2007 was the most recent year for which complete data on all TIF districts was available from the annual reports produced for every district. These reports list the fund balance, funds reserved for debt payments, property tax

revenues collected to date, and private and public investment for the period 1999–2007. Statistics from these reports have been compiled in appendix A.

Of the total 157 districts reporting in FY2007, 55 districts (35 percent) had no funds reserved for debt service and reported no public investment for FY1999–2007. (See table 2.) The total fund balance for these districts is $273,580,342, with total revenues to date of $331,599,681.

In view of the apparent lack of public investment, these revenues could arguably represent at least partially captured tax dol-

Figure 5. TIF Districts in Chicago



Source: Cook County Assessor's Office (2008)

Map Key

Dist. #	District Name
T-1	35th/Halsted
T-2	41st/King
T-3	43rd/Damen
T-4	49th/St. Lawrence
T-5	60th/Western
T-6	72nd/Cicero
T-7	73rd/Kedzie
T-8	95th/Stony Island
T-9	95th/Western
T-10	126th/Torrence
T-11	Addison Corridor North
T-13	Bryn Mawr/Broadway
T-14	Central Loop
T-15	Chatham Ridge
T-16	Chinatown Basin
T-17	Division/Hooker
I-18	Division/North Branch
T-19	Eastman/North Branch
T-20	Edgewater
T-21	Englewood Mall
T-22	Fullerton/Normandy
I-23	Goose Island
T-24	Homan/Arthington
T-25	Homan/Grand Trunk
T-26	Howard/Paulina
T-27	Irving/Cicero
I-28	Lincoln/Belmont/Ashland
T-29	Michigan/Cermak
T-30	Near North
T-31	Near South
T-32	Near West
I-33	North Branch (North)
T-34	North Branch (South)
T-35	North/Cicero
T-36	Read/Dunning
T-37	River South
I-38	Roosevelt/Cicero
T-39	Roosevelt/Canal
T-40	Roosevelt/Homan
T-41	Ryan/Garfield
T-42	Sanitary and Ship Canal
T-43	Stockyards Annex
T-44	Stockyards Industrial Commercial
T-45	Stockyards Southeast Quadrant Industrial
T-46	West Grand
T-47	West Ridge/Peterson
T-48	Western/Ogden
T-49	89th/State
T-50	West Pullman
T-52	Kinzie Industrial Corridor
T-53	Pilsen Industrial Corridor
T-54	Stony Island/Burnside
T-55	43rd/Cottage Grove
T-56	79th Street Corridor
T-57	Jefferson Park
T-58	Portage Park
T-59	Calumet Avenue/Cermak Road
T-60	71st/Stony Island
T-61	Bronzeville
T-62	Roosevelt/Racine
T-63	Canal/Congress
T-64	Northwest Industrial Corridor
T-65	Woodlawn
T-66	Greater Southwest Industrial (East)
T-67	Archer Courts
T-68	Roosevelt/Union
T-69	Pulaski Industrial Corridor
T-70	Clark/Montrose
I-71	Galewood/Armitage
T-72	24th/Michigan
T-73	111th/Kedzie
T-74	Clark/Ridge
T-75	Madison/Austin
I-76	Devon/Western
T-77	Lincoln Avenue
T-78	South Works Industrial
T-79	35th/Wallace
T-81	Belmont/Central
I-82	Belmont/Cicero
T-83	West Irving Park
T-84	Western Avenue North
T-85	Western Avenue South
T-86	Central West
I-87	Fullerton/Milwaukee
T-88	Lawrence/Kedzie
T-89	Midway Industrial Corridor
T-90	Peterson/Cicero
T-91	Peterson/Pulaski
I-92	Greater Southwest Industrial (West)
T-93	South Chicago
T-94	Chicago/Kingsbury
T-95	Midwest
T-96	Cicero/Archer
T-97	51st/Archer
T-98	63rd/Pulaski
T-99	Archer/Central
T-100	Ohio/Wabash
T-101	Jefferson/Roosevelt
T-102	Montclare
T-103	Lake Calumet Area Industrial
T-104	River West
T-105	53rd Street
T-106	Englewood Neighborhood
T-107	Division/Homan
T-108	Humboldt Park
T-109	Lawrence/Broadway
T-110	Wilson Yard
T-111	105th/Vincennes
T-112	79th/Southwest Highway
T-113	Roseland/Michigan
T-114	119th/Halsted
T-115	Chicago/Central Park
T-116	Lawrence/Pulaski
T-117	47th/Ashland
T-118	47th/King
T-119	Lakefront
T-120	45th/Western
T-121	47th/Halsted
T-122	Drexel Boulevard
T-123	Avalon Park/South Shore
T-124	67th/Cicero
T-125	119th/I-57
T-126	Madden/Wells
I-127	87th/Cottage Grove
T-128	Commercial Avenue
T-129	Diversey/Narragansett
T-130	Edgewater/Ashland
T-131	35th/State
I-132	40th/State
T-133	83rd/Stewart
T-134	Devon/Sheridan
T-135	Pratt/Ridge Industrial Park Conservation Area
I-136	47th/State
T-137	Lakeside/Clarendon
T-138	69th /Ashland
T-139	Ravenswood Corridor
T-140	79th/Cicero
I-141	26th and King Drive
T-142	Western Avenue/Rock Island
T-143	63rd/Ashland
T-144	Harrison/Central
T-145	73rd/University
I-146	Touhy/Western
T-147	LaSalle Central
T-148	Harlem Industrial Park Conservation Area
T-149	Stevenson/Brighton
T-150	Addison South
T-151	Armitage/Pulaski
T-152	Little Village Industrial Corridor
T-153	Elston/Armstrong Industrial Corridor
T-154	Pershing/King
T-155	79th/Vincennes
T-156	Austin Commercial
T-157	Hollywood/Sheridan
T-158	Weed/Fremont
T-159	134th and Avenue K
T-160	Kennedy/Kimball
T-161	Ogden/Pulaski

Table 2. City of Chicago tax increment financing districts with no public investment FY1999–2007 and no funds reserved for debt service

District	Date Authorized	Date Expires	Fund Balance (2007)	Revenues to Date (2006)
26th \ Kostner	04/29/1998	04/29/2021	$217,506	$227,490
35th \ Wallace	12/15/1999	12/31/2023	$910,156	$864,327
35th \ State	01/14/2004	12/31/2028	$1,053,989	$1,046,044
43rd \ Damen	08/03/1994	08/03/2017	$762,311	$1,605,086
47th \ Ashland	03/27/2002	12/31/2026	$6,181,493	$6,328,645
47th \ Halsted	05/29/2002	12/31/2026	$5,963,035	$6,025,083
47th \ King	03/27/2002	12/31/2026	$14,222,283	$13,364,894
47th \ State	07/21/2004	12/31/2028	$2,287,331	$2,104,549
60th \ Western	05/09/1996	05/09/2019	$2,609,313	$2,969,311
69th \ Ashland	11/03/2004	12/31/2028	$69,954	$64,864
73rd \ Kedzie	11/17/1993	11/17/2016	$506,064	$562,315
79th \ Southwest Highway	10/03/2001	12/31/2025	$2,905,344	$3,737,114
79th Street Corridor	07/08/1998	07/08/2021	$2,088,148	$3,111,538
83rd \ Stewart	03/31/2004	12/31/2028	$132,172	$72,787
87th \ Cottage Grove	11/13/2002	12/31/2026	$4,247,401	$6,048,971
105th \ Vincennes	10/03/2002	12/31/2025	$444,912	$426,967
Addison \ Kimball	01/12/2000	12/31/2024	$1,661,712	$1,606,563
Addison Corridor North	06/04/1997	06/04/2020	$6,530,610	$7,576,505
Archer \ Central	05/17/2000	12/31/2024	$2,653,162	$2,524,844
Avalon Park \ South Shore	07/31/2002	12/31/2026	$1,400,583	$1,854,453
Bloomingdale \ Laramie	09/15/1993	09/15/2016	$558	$461
Calumet Avenue \ Cermak Road	07/29/1998	07/29/2021	$49,574,507	$53,054,791
Cicero \ Archer	05/17/2000	12/31/2024	$3,237,314	$3,074,106
Commercial Avenue	11/13/2002	12/31/2026	$4,768,992	$4,519,006
Devon \ Western	11/03/1999	12/31/2023	$6,552,201	$8,894,456
Drexel Boulevard	07/10/2002	12/31/2026	$89,651	$125,183
Eastman \ North Branch	10/07/1993	10/07/2016	$837,223	$1,600,478
Edgewater	12/18/1986	12/18/2009	$1,450,075	$5,704,147
Edgewater \ Ashland	10/01/2003	12/31/2027	$3,698,708	$3,540,871
Englewood Mall	11/29/1989	11/29/2012	$4,756,379	$5,337,092
Greater Southwest Industrial (West)	04/12/2000	12/31/2024	$5,435,794	$5,356,303
Homan \ Arthington	02/05/1998	02/05/2021	$3,214,693	$3,594,482
Homan \ Grand Trunk	12/15/1993	12/15/2016	$1,827,574	$2,201,719
Lake Calumet Area Industrial	12/13/2000	12/31/2024	$10,380,840	$10,640,445
Lakefront	03/27/2002	12/31/2026	$298,667	$515,322
Lakeside \ Clarendon	07/21/2004	12/31/2028	$62,962	$62,031
LaSalle Central	11/15/2006	12/31/2030	$9,672,999	$9,065,644
Lawrence \ Pulaski	02/27/2002	12/31/2026	$3,695,149	$3,049,277
Madden \ Wells	11/06/2002	12/31/2026	$641,120	$754,067
Michigan \ Cermak	09/13/1989	09/13/2012	$2,466,199	$3,250,660
Midway Industrial Corridor	02/16/2000	12/31/2024	$3,836,738	$4,930,051
North Branch (North)	07/02/1997	12/31/2021	$18,084,904	$19,430,360
North Branch (South)	02/05/1998	02/05/2021	$18,541,618	$24,297,532
Peterson \ Cicero	02/16/2000	12/31/2024	$16,755	$17,714
Peterson \ Pulaski	02/16/2000	02/16/2023	$3,230,472	$3,705,628
Ravenswood Corridor	03/09/2005	12/31/2029	$972,879	$478,783
River South	04/30/1997	04/30/2020	$29,920,568	$44,633,843
Roosevelt \ Cicero	02/05/1998	02/05/2021	$5,423,528	$7,847,658
Roosevelt \ Racine	11/04/1998	12/31/2022	$1,274,011	$1,014,891
Roseland \ Michigan	01/16/2002	12/31/2026	$1,105,516	$1,043,576
Ryan \ Garfield	12/18/1986	12/18/2009	$4,838,265	$10,595,401
South Works Industrial	11/03/1999	11/03/2022	$496,314	$513,057
Stockyards Annex	12/11/1996	12/31/2020	$9,685,974	$10,660,114
West Pullman	03/11/1998	03/11/2021	$10,694	$55,093
Western \ Ogden	02/05/1998	02/05/2021	$6,633,022	$15,913,089
Totals			$273,580,342	$331,599,681

Source: Cook County Clerk (2006); City of Chicago (2007)

lars. These revenues, it should be noted, are captured in the form of higher taxes from taxpayers, not funds captured from other taxing bodies. It is possible, however, that some of these districts could have projects underway for which funds have not been disbursed or reported. There could also be private investment occurring even though it is reported as "n/a" in the annual report tables. Furthermore, some of these districts were created before reporting was required in 1999, so there could have been investments made prior to that year. The more important point is that these TIF districts did not require debt financing to acquire redevelopment funds but generated sufficient revenue based on growth in existing property values. These results would indicate a failure to pass the but-for test—that growth would not have occurred but for the TIF.

The best illustration of this complete capture of property value is provided by the LaSalle Central TIF district, which encompasses the financial district in downtown Chicago as well as the business district west of the Loop. It was designated for TIF status in 2005 primarily to provide resources for rehabilitation of buildings for current and new uses, especially historic structures. None of these projects address blight or impending blight and two out of the three projects scheduled for 2008 contain subsidies to private companies (City of Chicago 2007).

In 2006, the first year of TIF, the district generated $9.6 million—before any redevelopment activity could be undertaken. These tax dollars can be attributed solely to the growth in property values resulting from the 2006 reassessment of the area. Since the EAV for the district was frozen at the 2005 values, the district benefited from the increase in 2006. These tax dollars are clearly not a result of investment, but of normal growth in property values.

In addition to the 55 districts with no funds for public investment or debt repayment, another 48 districts have no funds allocated to debt payments but have made public investments totaling $132,260,580 in FY1999–2007 (table 3). In spite of these expenditures, they still have a substantial combined fund balance of $282,719,559 on revenues to date of $473,833,205. A portion of this growth in value can be attributed to TIF activities, since the districts have expended some funds on projects. Clearly not all of the growth is TIF-related though since the districts were able to collect enough revenue to start redevelopment without borrowing.

The Wilson Yard TIF district in the Uptown neighborhood is a good example of a district that has partially captured revenues from growth that was occurring without TIF activity. Uptown is an immigrant-entry neighborhood that has experienced noticeable gentrification over the past decade. The neighborhood borders the lakefront and is contiguous to the increasingly affluent Lakeview area and the rapidly gentrifying Lincoln Square neighborhood.

The 144-acre TIF area includes an old train yard—basically a large parcel of vacant land—as well as multi-family residential buildings and older commercial buildings. The case for authorizing this district was primarily based on its relatively slower EAV growth compared to Lakeview, the presence of older buildings, as well as buffer issues between institutional-use properties and other use properties. It was not surprising that growth in this district, which is in a generally lower-income neighborhood, was slower than Lakeview, but there was still significant growth as evidenced by the gentrification in recent years.

In the first year after the authorization of Wilson Yard in 2001, the EAV of the district grew by 45 percent, with no redevelopment activity and no debt incurred. By the end of FY2003, with still no public investment of any kind, the district had accumulated a fund balance of $3,440,691. These revenues were clearly not caused by TIF, but allocated for use in TIF. These TIF funds were first used in

Table 3. City of Chicago tax increment financing districts with public investment FY1999–2007 but no funds reserved for debt service

District	Date Authorized	Date Expires	Fund Balance (2007)	Revenues to Date (2006)	Public Investment 1999–2007
24th \ Michigan	07/21/1999	07/21/2022	$1,574,341	$2,218,999	$13,100,000
35th \ Halsted	01/14/1997	12/31/2021	$9,643,781	$11,687,471	$2,250,000
41st \ King	07/13/1994	07/13/2017	$404,398	$1,332,643	$631,622
43rd \ Cottage Grove	07/08/1998	07/08/2021	$3,935,891	$6,484,981	$2,209,023
45th \ Western	03/27/2002	12/31/2026	$150,889	$471,466	$309,733
49th \ St. Lawrence	01/10/1996	12/31/2020	$884,528	$1,824,003	$945,750
53rd Street	01/10/2001	12/31/2025	$2,471,589	$2,555,773	$33,825
63rd \ Pulaski	05/17/2000	12/31/2024	$5,193,834	$6,912,536	$128,724
67th \ Cicero	10/02/2002	12/31/2026	$115,604	$308,646	$188,411
72nd \ Cicero	11/17/1993	11/17/2016	$1,437,655	$2,473,363	$1,074,435
89th \ State	04/01/1998	04/01/2021	$350,439	$2,056,751	$1,708,166
95th \ Stony Island	05/16/1990	05/16/2013	$2,868,601	$8,011,097	$5,478,525
111th \ Kedzie	09/29/1999	09/29/2022	$1,230,353	$1,778,860	$326,712
126th \ Torrence	12/21/1994	12/21/2017	$953,391	$1,690,055	$1,359,667
Archer Courts	05/12/1999	12/31/2023	$1,076,893	$1,613,277	$774,304
Belmont \ Central	01/12/2000	12/31/2024	$8,421,679	$9,655,928	$220,598
Belmont \ Cicero	01/12/2000	12/31/2024	$3,313,047	$4,331,342	$4,950
Bronzeville	11/04/1998	12/31/2022	$12,625,006	$13,786,856	$769,580
Canal \ Congress	11/12/1998	12/31/2022	$29,932,342	$62,240,454	$8,224,896
Chicago \ Kingsbury	04/12/2000	12/31/2024	$15,218,512	$31,481,467	$12,772,095
Clark \ Montrose	07/07/1999	07/07/2022	$4,356,438	$5,660,687	$609,917
Clark \ Ridge	09/29/1999	09/29/2022	$4,220,781	$5,951,077	$594,491
Diversey \ Narragansett	02/05/2003	12/31/2027	$2,889,492	$3,678,510	$945,381
Division \ Hooker	07/10/1996	07/10/2019	$1,132,560	$2,419,343	$1,243,481
Englewood Neighborhood	06/27/2001	12/31/2025	$10,969,042	$12,014,552	$1,434,154
Fullerton \ Normandy	10/07/1993	10/07/2016	$5,211,536	$6,612,138	$1,956,314
Greater Southwest Industrial (East)	03/10/1999	12/31/2023	$1,739,362	$3,264,711	$650,428
Howard \ Paulina	10/14/1988	10/14/2011	$6,042,386	$13,247,609	$8,827,834
Jefferson \ Roosevelt	08/30/2000	12/31/2024	$10,378,035	$7,165,316	$6,119,725
Kinzie Industrial Corridor	06/10/1998	06/10/2021	$38,559,991	$70,814,921	$8,292,848
Lawrence \ Broadway	06/27/2001	12/31/2025	$5,075,720	$8,793,326	$2,746,237
Monteclare	08/30/2000	12/31/2024	$400,007	$1,352,781	$535,064
North \ Cicero	07/30/1997	07/30/2020	$1,634,947	$4,891,564	$3,468,826
Northwest Industrial Corridor	12/02/1998	12/02/2021	$12,834,621	$20,097,201	$971,121
Ohio \ Wabash	06/07/2000	12/31/2024	$1,530,905	$5,832,040	$4,280,762
Portage Park	09/09/1998	09/09/2021	$7,714,345	$10,059,309	$329,011
River West	01/10/2001	12/31/2025	$14,356,280	$24,032,265	$5,238,920
Roosevelt \ Canal	03/19/1997	12/31/2021	$2,839,717	$9,208,940	$6,772,754
Roosevelt \ Homan	12/05/1990	12/05/2013	$5,080,536	$5,945,428	$1,116,003
Roosevelt \ Union	05/12/1999	05/12/2022	$3,766,223	$10,548,575	$7,217,637
South Chicago	04/12/2000	12/31/2024	$1,507,957	$3,403,000	$1,053,540
Stony Island \ Burnside	06/10/1998	06/10/2021	$5,664,109	$10,586,689	$574,104
West Grand	06/10/1996	06/10/2019	$86,694	$792,777	$677,800
West Irving Park	01/12/2000	12/31/2024	$6,074,219	$3,816,649	$8,126
West Ridge \ Peterson	10/27/1986	12/31/2010	$910,364	$7,531,569	$2,600,000
Western Avenue North	01/12/2000	12/31/2024	$10,120,892	$13,476,507	$515,122
Wilson Yard	06/27/2001	12/31/2025	$10,473,681	$21,032,291	$10,057,273
Woodlawn	01/20/1999	01/20/2022	$5,345,946	$8,687,462	$912,691
Totals			$282,719,559	$473,833,205	$132,260,580

Source: Cook County Clerk (2006); City of Chicago (2007)

2005 when the city purchased parcels of land for $5 million. By the end of FY2005, the EAV had grown 142 percent from 2001 and the fund balance had reached over $6 million, with total revenues to date of more than $11 million. Even though additional public investments were made in FY2007 ($5,057,273), the district still reported a fund balance of $10,473,681—because revenues as of 2007 had reached $21,032,291. This latest increase in revenues reflected property value growth measured by the 2006 reassessment, not growth due to TIF development (City of Chicago 2007; Cook County Clerk 2007).

Although the previous examples—LaSalle Central and Wilson Yard—illustrated that growth in TIF districts is not necessarily due to TIF activity, TIF can be utilized to make significant improvements and increase property values. The Central Loop TIF district has played at least some role in Chicago's downtown redevelopment. Funds from the Central Loop TIF were used for such infrastructure projects as commuter rail terminal improvements ($13,500,000), ornamental lighting ($23,188,556), general lighting ($11,049,408) and median landscaping ($94,000). Renovation and rehabilitation of three downtown hotels was subsidized by TIF funds totaling $18,424,786 while four theaters received $59,180,875 in TIF funds for façade preservation and renovations as part of the creation of a downtown theatre district (Neighborhood Capital Budget Group 2003). These projects were in addition to commercial and residential developments partially funded by the Central Loop TIF. The question still remains, however, whether these improvements would have occurred without being subsidized by TIF revenues.

As of its FY2007 annual report, the district had generated the most increment funds of any Chicago district—$861,852,830. It also had the most money reserved for debt service, with $138,183,589 of the 2007 budget reserved for debt payment. The annual reports do not list the total amount of debt, only what is reserved for payments, so the total amount of remaining debt is unknown. The district had a substantial fund balance of $254,990,539 as of 2007.

A little less than half of the taxes generated by the Central Loop TIF go to the district. This is in contrast to some other downtown TIF districts, in which most or almost all of the tax revenues are going to the districts. There are 1,108 parcels in the Central Loop TIF district, representing a total 2007 EAV of more than $3 billion. At the building level, there are buildings in the Central Loop TIF that do not contribute at all to the general tax base because they were constructed after the establishment of the TIF. These buildings arguably represent the success of TIF in creating property value and improving downtown. EAV and increment growth for the district, as well as the distribution of tax dollars, are summarized in table 4.

Although the Central Loop TIF

Table 4. Recent results for Central Loop TIF district

Frozen Value						**% Change**
$985,292,154	2002	2003	2004	2005	2006	2002–2006
Equalized Value	$1,853,497,414	$2,132,127,958	$2,359,216,203	$2,603,135,368	$3,075,597,254	65.93%
Increment Value	$868,205,260	$1,146,835,804	$1,373,924,049	$1,617,843,214	$2,090,305,100	140.76%
Tax Dollars						
To Other Agencies	$71,699,710	$63,383,844	$61,803,185	$58,920,471	$52,240,190	−27.14%
To District	$63,179,297	$73,775,947	$87,727,496	$98,267,070	$111,779,391	76.92%

has been cited as an example of the successful use of TIF as an economic development tool, it is important to keep in mind that some development in the district might have occurred without TIF subsidies. Since keeping such a substantial amount of EAV out of the property tax base caused higher taxes for individual city taxpayers, whether or not the benefits exceeded the costs is a critical question.

Consequences of TIF

TIF and the Chicago Public Schools

Because schools in Illinois rely so heavily on property taxes for their funding, ranking 49th in the nation in the state share of educational funding (National Center for Education Statistics 2008), the effect of TIF on schools is an issue of great concern. The important consideration is that TIF lowers the tax base available to schools, not that TIF districts collect money that schools would otherwise have received. The Chicago Public Schools (CPS) would not receive a substantial annual infusion of money when a district expires; it would only receive some additional property tax revenue in the first year after the incremental EAV is returned to the general tax base. This is a result of how the tax rates are calculated. The maximum amount that CPS can raise its property tax levy in a given year is restricted to roughly the rate of inflation which determines the maximum tax rate the organization can charge (Property Tax Extension Limitation Law 1987). The tax rate calculation excludes new property and dissolved TIF EAV, but the rate is applied to those values. Therefore, in the first year after a TIF expires and its EAV is returned to the base, CPS would have the same tax rate it would have had without the additional EAV, but it would be able to apply the tax rate to a higher EAV, resulting in more tax dollars.

If, for example, the Central Loop TIF had expired in 2005, CPS would have been able to collect approximately $47,481,754 in additional property taxes. This amount is, however, only about 2.5 percent of its total property tax extension. In addition, General State Aid (GSA) allocated to CPS is affected by EAV and an estimated 70 percent of property taxes "lost" to TIF are compensated for by increased GSA payments (Weber 2003). If CPS were to collect the estimated $47,481,754 in additional property taxes, it would receive $33,237,228 less in GSA, for a net gain of only $14,244,526.

Even though the tax dollar effect on CPS is relatively small, it still represents a diversion of resources from one budget priority to another. Extensive use of TIF for economic development shifts the balance of how city tax dollars are spent—and in a way that is not transparent to taxpayers.

Chicago Tax Rate

If the property value for all Chicago TIF districts had been included in the base for tax year 2006, the city composite tax rate would have been 11 percent lower. This rate was estimated by returning all EAV currently allocated to TIF to the general tax base, and recalculating tax rates for each of the taxing agencies, and then the composite rate including all of them. The rate for 2006 with all TIF EAV returned to the tax base would have been 4.732 percent, whereas the actual 2006 rate was 5.302 percent. This means that including TIF EAV would also have reduced individual tax bills by 11 percent in 2006. It is important to note that this calculation is not the same as an estimate of what would have happened had there never been any TIF districts, because some growth has been created by TIF. The point is that returning the TIF increment value to the tax base is important to the successful use of TIF, since it provides the long-term benefit of higher taxable property value and thus lower tax rates and lower tax bills.

Benefits to Taxpayers

Even if TIF is successful in creating growth, its benefits might not be evenly

distributed among taxpayers. A premise of TIF is that in return for foregoing the growth in EAV over the life of the TIF (even growth that would have occurred without TIF), taxpayers will benefit when districts expire and the increased EAV is added to the general tax base. In other words, all taxpayers in the city bear the burden of tax rates that are higher than they would otherwise have been, and then reap the benefit of the lower rate when a TIF expires. However, taxpayers located within (or close to) the districts presumably receive an additional benefit in the form of completed projects, which does not accrue to taxpayers in general. This aspect only underscores the importance of rigorous evaluation of the effectiveness of TIF and an analysis of the costs and benefits. If some taxpayers benefit more than others, those that benefit less need to be satisfied that the overall benefit is worth their costs.

Recent Recommendations Regarding TIF

Throughout the history of the use of TIF in Illinois, non-profit and civic groups have examined its operation. One of the most prominent critics of TIF, the Neighborhood Capital Budget Group (NCBG), provides extensive data on TIF districts on its Web site, http://www.ncbg.org, and produced two substantial reports (Schwartz 1999; National Capital Budget Group 2003). Most recently, Cook County Board Commissioner Mike Quigley and the Civic Federation have each issued evaluations and recommendations on TIF (Thomson, Liechty, and Quigley 2007; Civic Federation 2007).

The report released by Cook County Commissioner Quigley made numerous recommendations for reform both in terms of the way TIF operates and its transparency. Operational changes called for in the report included imposing caps on increment revenues, allowing inflation adjustments to frozen EAV, limiting portability of funds between districts, and replacing the Chicago Development Commission that oversees TIFs with neighborhood-level institutions. Transparency improvements proposed included requiring that redevelopment plans give an estimate of the revenue loss for all impacted local governments over the life of a proposed TIF district, providing a detailed accounting of surplus funds in TIF accounts, making information about TIFs available on-line, and putting TIF information on tax bills. While the tax bill proposal may be appealing to groups and policy makers who value increased transparency, there are several problems with it. Quigley's proposal would give an estimated "TIF tax rate" and "TIF taxes" on tax bills of property within a TIF district. Currently, however, there is no accurate method of estimating the effect of TIF on tax rates. The proposal also fails to recognize that TIF affects all taxpayers, not just those within TIF districts.

The Civic Federation's comprehensive report on TIF, released in 2007, offered the following three recommendations to improve transparency and the information available to taxpayers: (1) that full financial information on TIF districts be included in municipal budgets, (2) that complete information on TIFs be available electronically via the Internet, and (3) that every district undergo a comprehensive public review every 10 years. Although these measures do not address the questions of costs or effectiveness of TIF, they would at least provide taxpayers with more information on how their tax dollars are being used.

Some additional transparency has been achieved since these reports were issued. The city's Department of Planning and Development Web site, http://egov.cityofchicago.org, now includes two-page summaries for each of the city's TIF districts, in addition to the maps that have been available there. The Cook County Clerk's Office has enhanced the amount of county TIF information available on its Web site, http://www.

cookctyclerk.com, providing an on-line version of the Tax Increment Agency Distribution Summary which details the frozen EAV, the full EAV, and the tax dollars collected for every TIF district in the county. The Web site also provides summaries of TIF revenues for the past two tax years for districts both in the city and the suburbs.

Brief Review of Relevant Research

Widespread use of TIF to spur economic development has generated debate regarding both its effectiveness as an economic development tool and its impact on the rest of the property tax system, taxpayers, and the other taxing agencies. A true evaluation of TIF's impact depends upon comparing current reality to a hypothetical non-TIF world. This type of comparison is difficult to make, not only because of the complexities of the property tax system but also due to data intensity and the need for sophisticated statistical analysis.

These empirical difficulties have resulted in little thorough quantitative study evaluating the effectiveness and impact of TIF. The primary question regarding the effectiveness of tax increment financing is whether it creates growth. That is, are increases in property value attributable to TIF activity, or would that growth have occurred without the TIF district? The answer to this question is important because if growth would have occurred without the TIF district, then the tax revenues collected by the district impose a hidden tax increase on all taxpayers.

Several researchers have explored questions related to this TIF issue. Weber, Bhatta, and Merriman (2004) investigated whether TIF causes disproportionate growth of lower-valued residential homes, relative to higher-valued ones. Their research found no evidence that TIF had a greater impact on the lower-valued properties. This conclusion does not address, however, whether properties within a TIF grew more relative to those not in a TIF, all else being equal. These researchers also looked at the effect of TIF on urban industrial property values in Chicago, using sale data from 1976 to 2001 (Weber, Bhatta, and Merriman 2003). Their study showed that TIF did not raise property values for industrial properties located in TIF districts specifically designated as industrial, but those in mixed-use TIF districts sold for no less (and sometimes significantly more) than industrial parcels not in a TIF. This result is more likely indicative of the changing use of property from industrial to commercial or residential, than of the effect of TIF redevelopment (Weber, Bhatta, and Merriman 2004).

Dye and Merriman (1999) compared property value growth in municipalities that adopted TIF to municipalities without TIF adoption. Controlling for other municipal characteristics, the authors found that property values grew more slowly in TIF-adopting municipalities than in non-TIF-adopting municipalities. While this study compared municipal property value growth as a whole between municipalities (as opposed to comparing TIF areas to non-TIF areas within a municipality), the results may indicate that TIF can cause growth within districts, but at the expense of slower growth in the rest of a municipality.

Benefield (2003) found that TIF had little effect on housing values within the standardized Chicago Community Areas compared to other demographic variables related to housing costs. His analysis included demographic variables for Community Areas such as household size, age, percentage of renter households, and race, as well as variables related to TIF such as percentage of total land in TIF districts and years within a TIF district. Change in median home values between 1980 and 1990 was used to evaluate the relative effects of the different variables. TIF variables, it was found, had neither a positive nor a significant effect on home values.

All of these research efforts utilized

econometric methods to evaluate the effect of TIF separate from other factors that influence changes in property values. Further research using the same type of statistical techniques is necessary to isolate the impact of TIF on growth in property values and economic development. Without this kind of robust evaluation, it is difficult to accurately assess the effectiveness of TIF or measure its costs to taxpayers.

Conclusion

The number of TIF districts in Chicago, the ease with which new districts can be approved (e.g., LaSalle Central), the magnitude of public funds involved, the impact on taxes, and the lack of transparency demand a thorough evaluation and review of the use of TIF. Taxpayers deserve greater accountability for the use of their money than they currently receive. It is rare for economic development tools to be evaluated based on measurable results and return on investment, but those are the only defensible criteria for continued expansion of TIF as a mechanism for stimulating redevelopment and economic growth.

The critical question of whether TIF causes growth (and if so, how much) cannot be sufficiently addressed by simply looking at the property values and money spent. This analysis requires sophisticated statistical research techniques, so that the effects of TIF can be measured while holding everything else equal. Allocating resources to a thorough evaluation of the costs and benefits of TIF should be made a priority by policy makers in Chicago and Cook County.

Recent policy efforts have focused on increasing transparency as evidenced by increased reporting by the county clerk, the recommendations of the Civic Federation, and the proposal by Commissioner Quigley to include TIF impact estimates on property tax bills. These are important measures, as one of the significant problems with TIF is the perception that it is free, when there are, in fact, costs to property taxpayers. But such increased transparency is not sufficient to safeguard the public interest. Taxpayers should not only have access to information on TIF districts and funds and their impact on tax bills, but taxpayers should also know what they get in return for higher taxes.

References

Benefield, N.A. 2003. The effects of tax increment financing on home values in the City of Chicago. Paper presented at the 61st Annual National Conference, Midwest Political Science Association, Chicago.

City of Chicago. 2007. *TIF districts annual reports.* Chicago: City of Chicago Department of Planning and Development.

Civic Federation. 2007. Civic Federation urges TIF disclosure in municipal budgets: Continues to support TIF as an economic development tool/Tax increment financing (TIF): A Civic Federation issue brief. http://civicfed.org/sites/default/files/civicfed_260.pdf (accessed April 1, 2008).

Cook County Clerk. 2006. *TIF reports.* http://www.cookctyclerk.com/sub/TIF.asp (accessed November 3, 2008).

Cook County Clerk. 2007. *TIF reports.* http://www.cookctyclerk.com/sub/TIF.asp (accessed November 3, 2008).

Dye, R.F., and D.F. Merriman. 1999. The effects of tax increment financing on economic development. Working Paper #75. Ed. J.H. Kuklinski. Cambridge, MA: Lincoln Institute of Land Policy.

National Center for Education Statistics. 2008. Revenue and expenditure for public elementary and secondary education (Fiscal Year 2006). http://nces.ed.gov/pubs2008/expenditures/ (accessed November 19, 2008).

Neighborhood Capital Budget Group. 2003. *NCBG s TIF almanac.* Chicago: Neighborhood Capital Budget Group.

Property Tax Extension Limitation Law. 1987. *Illinois Compiled Statutes*, Chapter 35, 200/18-185 to 18-429.

Schwartz, C. 1999. *NCBG s Chicago TIF encyclopedia: The first comprehensive report on the state of tax increment financing in Chicago.* Chicago: Neighborhood Capital Budget Group.

Tax Increment Allocation Redevelopment Act. 1977. *Illinois Compiled Statutes*, Chapter 65, 5/11-74.4ff.

Tax Increment Allocation Redevelopment Act. 1999. Illinois Public Act 93-747.

Thomson, J., J. Liechty, and M. Quigley. 2007. *A Tale of Two Cities: Reinventing Tax Increment Financing.* Chicago: Cook County Commissioner Mike Quigley.

Weber, R. 2003. Equity and entrepreneurialism: The impact of tax increment financing on school finance. *Urban Affairs Review* 38 (5): 619–644.

Weber, R., S.D. Bhatta, and D. Merriman. 2003. Does tax increment financing raise urban industrial property values? *Urban Studies* 40 (10): 2001–2021.

Weber, R., S.D. Bhatta, and D. Merriman. 2004. The impact of tax increment financing on residential property values. Working Paper.

Additional Sources

Byrne, P.F. 2002. Determinants of property value growth for tax increment financing districts. Working Paper 102. Urbana-Campaign: University of Illinois, Institute of Government and Public Affairs.

Developing Neighborhood Alternatives Project. 2003. *The right tool for the job? An analysis of tax increment financing.* Chicago: Heartland Institute.

Gibson, D. 2003. Neighborhood characteristics and the targeting of tax increment financing in Chicago. *Journal of Urban Economics* 54 (2): 309–327.

Appendix A. City of Chicago Tax Increment Financing Districts

TIF Name	Date Authorized	Date Expires	Frozen Value	2006 Equalized Value	2006 Estimated Increment Value	Fund Balance (2007)	Increment Revenues to Date (2006)	Public Investment 1999–2007	Reserved for Debt Service
24th \ Michigan	07/21/1999	07/21/2022	$15,874,286	$29,196,194	$13,321,908	$1,574,341	$2,218,999	$13,100,000	
26th and King Drive	01/11/2006	12/31/2030							
26th \ Kostner	04/29/1998	04/29/2021	$2,834,583	$4,842,977	$2,008,394	$217,506	$227,490		
35th \ Wallace	12/15/1999	12/31/2023	$9,047,402	$16,589,317	$7,541,915	$910,156	$864,327		
35th \ Halsted	01/14/1997	12/31/2021	$80,938,228	$146,737,945	$65,799,717	$9,643,781	$11,687,471	$2,250,000	
35th \ State	01/14/2004	12/31/2028	$3,978,955	$11,567,852	$7,588,897	$1,053,989	$1,046,044		
40th \ State	03/10/2004	12/31/2028				—	—		
41st \ King	07/13/1994	07/13/2017	$129,892	$3,152,210	$3,022,318	$404,398	$1,332,643	$631,622	
43rd \ Cottage Grove	07/08/1998	07/08/2021	$7,038,638	$50,351,279	$43,312,641	$3,935,891	$6,484,981	$2,209,023	
43rd \ Damen	08/03/1994	08/03/2017	$5,596,786	$7,895,035	$2,298,249	$762,311	$1,605,086		
45th \ Western	03/27/2002	12/31/2026	$2,188,976	$45,485,945	$43,296,969	$150,889	$471,466	$309,733	
47th \ Ashland	03/27/2002	12/31/2026	$53,606,185	$5,065,283	$(48,540,902)	$6,181,493	$6,328,645		
47th \ Halsted	05/29/2002	12/31/2026	$39,151,640	$94,412,874	$55,261,234	$5,963,035	$6,025,083		
47th \ King	03/27/2002	12/31/2026	$61,269,066	$92,950,909	$31,681,843	$14,222,283	$13,364,894		
47th \ State	07/21/2004	12/31/2028	$19,279,360	$186,669,520	$167,390,160	$2,287,331	$2,104,549		
49th \ St. Lawrence	01/10/1996	12/31/2020	$683,377	$8,563,960	$7,880,583	$884,528	$1,824,003	$945,750	
51st \ Archer	05/17/2000	12/31/2024	$29,522,751	$42,543,776	$13,021,025	$35,436,578	$2,158,563	$1,532,941	$1,718,708
53rd Street	01/10/2001	12/31/2025	$23,168,822	$38,463,876	$15,295,054	$2,471,589	$2,555,773	$33,825	
60th \ Western	05/09/1996	05/09/2019	$2,464,026	$7,665,741	$5,201,715	$2,609,313	$2,969,311		
63rd \ Ashland	03/29/2006	12/31/2030							
63rd \ Pulaski	05/17/2000	12/31/2024	$56,171,856	$96,444,204	$40,272,348	$5,193,834	$6,912,536	$128,724	
67th \ Cicero	10/02/2002	12/31/2026	—	$2,082,084	$2,082,084	$115,604	$308,646	$188,411	
69th \ Ashland	11/03/2004	12/31/2028	$813,600	$5,858,921	$5,045,321	$69,954	$64,864		
71st \ Stony Island	10/07/1998	10/07/2021	$53,506,725	$108,139,678	$54,632,953	$76,352,778	$10,280,751	$3,320,643	$4,713,160
72nd \ Cicero	11/17/1993	11/17/2016	$6,531,993	$12,027,263	$5,495,270	$1,437,655	$2,473,363	$1,074,435	
73rd \ Kedzie	11/17/1993	11/17/2016	$14,587,780	$13,119,191	$(1,468,589)	$506,064	$562,315		
73rd \ University	09/13/2006	12/31/2030							
79th \ Cicero	06/08/2005	12/31/2029			—	—	—		
79th \ Southwest Highway	10/03/2001	12/31/2025	$36,347,823	$59,625,139	$23,277,316	$2,905,344	$3,737,114		
79th Street Corridor	07/08/1998	07/08/2021	$21,576,305	$34,950,866	$13,374,561	$2,088,148	$3,111,538		
79th \ Vincennes	09/27/2007	12/31/2031							
83rd \ Stewart	03/31/2004	12/31/2028	$10,618,689	$13,534,009	$2,915,320	$132,172	$72,787		
87th \ Cottage Grove	11/13/2002	12/31/2026	$53,959,824	$93,471,829	$39,512,005	$4,247,401	$6,048,971		
89th \ State	04/01/1998	04/01/2021	$3,827,328	$10,396,271	$6,568,943	$350,439	$2,056,751	$1,708,166	
95th \ Stony Island	05/16/1990	05/16/2013	$2,622,436	$24,015,674	$21,393,238	$2,868,601	$8,011,097	$5,478,525	
95th \ Western	07/13/1995	07/13/2018	$16,035,773	$31,418,920	$15,383,147	$3,366,576	$5,104,239	$1,539,000	$1,662,750
105th \ Vincennes	10/03/2002	12/31/2025	$1,268,074	$4,836,450	$3,568,376	$444,912	$426,967		
111th \ Kedzie	09/29/1999	09/29/2022	$14,456,141	$24,815,658	$10,359,517	$1,230,353	$1,778,860	$326,712	
119th \ Halsted	02/06/2002	12/31/2026	$18,853,913	$32,611,443	$13,757,530	$1,855,915	$1,398,477	$182,899	$974,616
119th \ I-57	11/06/2002	12/31/2026	$16,097,672	$33,101,302	$17,003,630	$2,080,149	$1,797,656	$205,563	$1,155,563
126th \ Torrence	12/21/1994	12/21/2017	$1,226,037	$21,669,463	$20,443,426	$953,391	$1,690,055	$1,359,667	
Addison \ Kimball	01/12/2000	12/31/2024	$883,731	$10,059,118	$9,175,387	$1,661,712	$1,606,563		
Addison Corridor North	06/04/1997	06/04/2020	$14,400,224	$47,027,399	$32,627,175	$6,530,610	$7,576,505		
Addison South	05/09/2007	12/31/2031							
Archer \ Central	05/17/2000	12/31/2024	$37,646,911	$54,457,484	$16,810,573	$2,653,162	$2,524,844		
Archer Courts	05/12/1999	12/31/2023	$85,326	$5,632,234	$5,546,908	$1,076,893	$1,613,277	$774,304	
Armitage \ Pulaski	06/13/2007	12/31/2031							
Austin Commercial	09/27/2007	12/31/2031							

(continued on next page)

Appendix A. City of Chicago Tax Increment Financing Districts *(continued)*

TIF Name	Date Authorized	Date Expires	Frozen Value	2006 Equalized Value	2006 Estimated Increment Value	Fund Balance (2007)	Increment Revenues to Date (2006)	Public Investment 1999–2007	Reserved for Debt Service
Avalon Park \ South Shore	07/31/2002	12/31/2026	$22,180,151	$36,228,889	$14,048,738	$1,400,583	$1,854,453		
Belmont \ Central	01/12/2000	12/31/2024	$74,974,945	$129,687,808	$54,712,863	$8,421,679	$9,655,928	$220,598	
Belmont \ Cicero	01/12/2000	12/31/2024	$33,673,880	$58,306,995	$24,633,115	$3,313,047	$4,331,342	$4,950	
Bloomingdale \ Laramie	09/15/1993	09/15/2016	$1,206,101	$522,565	$(683,536)	$558	$461		
Bronzeville	11/04/1998	12/31/2022	$52,170,301	$128,073,375	$75,903,074	$12,625,006	$13,786,856	$769,580	
Bryn Mawr \ Broadway	12/11/1996	12/11/2019	$17,682,409	$49,533,716	$31,851,307	$5,177,547	$5,534,144	$1,816,923	$433,985
Calumet Avenue \ Cermak Road	07/29/1998	07/29/2021	$3,219,685	$156,929,106	$153,709,421	$49,574,507	$53,054,791		
Canal \ Congress	11/12/1998	12/31/2022	$31,461,307	$358,167,130	$326,705,823	$29,932,342	$62,240,454	$8,224,896	
Central Loop	06/20/1984	12/31/2028	$985,292,154	$3,075,597,254	$2,090,305,100	$254,990,539	$861,852,830	$128,401,532	$138,183,589
Central West	02/16/2000	12/31/2024	$62,116,168	$301,722,834	$239,606,666	$62,728,988	$35,589,512	$2,904,208	$4,805,431
Chatham Ridge	12/18/1986	12/31/2010	$2,626,632	$35,217,552	$32,590,920	$19,537,705	$37,303,713	$15,109,507	$12,136,982
Chicago \ Central Park	02/27/2002	12/31/2026	$84,789,947	$198,536,129	$113,746,182	$33,627,784	$11,849,400	$1,668,048	$5,931,115
Chicago \ Kingsbury	04/12/2000	12/31/2024	$38,520,712	$225,703,808	$187,183,096	$15,218,512	$31,481,467	$12,772,095	
Chinatown Basin	12/18/1986	12/31/2010	$131,657	$46,798,165	$46,666,508	$8,839,937	$20,814,613	$4,606,451	$1,284,436
Cicero \ Archer	05/17/2000	12/31/2024	$19,629,324	$36,507,667	$16,878,343	$3,237,314	$3,074,106		
Clark \ Montrose	07/07/1999	07/07/2022	$23,433,096	$58,690,978	$35,257,882	$4,356,438	$5,660,687	$609,917	
Clark \ Ridge	09/29/1999	09/29/2022	$39,163,821	$72,099,088	$32,935,267	$4,220,781	$5,951,077	$594,491	
Commercial Avenue	11/13/2002	12/31/2026	$40,748,652	$68,171,222	$27,422,570	$4,768,992	$4,519,006		
Devon \ Sheridan	03/31/2004	12/31/2028	$46,265,720	$54,267,046	$8,001,826	$1,274,203	$1,221,490	$222,066	$458,073
Devon \ Western	11/03/1999	12/31/2023	$71,430,503	$73,207,852	$1,777,349	$6,552,201	$8,894,456		
Diversey \ Narragansett	02/05/2003	12/31/2027	$34,746,231	$70,663,720	$35,917,489	$2,889,492	$3,678,510	$945,381	
Division \ Homan	06/27/2001	12/31/2025	$24,683,716	$44,411,625	$19,727,909	$2,828,307	$2,852,204	$288,661	$210,239
Division \ Hooker	07/10/1996	07/10/2019	$380,624	$4,520,720	$4,140,096	$1,132,560	$2,419,343	$1,243,481	
Division \ North Branch	03/15/1991	03/15/2014	$482,150	$2,115,870	$1,633,720	$341,303	$3,110,171		$302,514
Drexel Boulevard	07/10/2002	12/31/2026	$127,408	$3,178,510	$3,051,102	$89,651	$125,183		
Eastman \ North Branch	10/07/1993	10/07/2016	$2,222,210	$6,949,177	$4,726,967	$837,223	$1,600,478		
Edgewater	12/18/1986	12/18/2009	$479,172	$5,565,282	$5,086,110	$1,450,075	$5,704,147		
Edgewater \ Ashland	10/01/2003	12/31/2027	$1,875,282	$37,349,398	$35,474,116	$3,698,708	$3,540,871		
Elston \ Armstrong Industrial Corridor	07/19/2007	12/31/2031							
Englewood Mall	11/29/1989	11/29/2012	$3,868,736	$12,438,210	$8,569,474	$4,756,379	$5,337,092		
Englewood Neighborhood	06/27/2001	12/31/2025	$56,074,854	$155,539,300	$99,464,446	$10,969,042	$12,014,552	$1,434,154	
Fullerton \ Milwaukee	02/16/2000	12/31/2024	$69,002,056	$189,459,009	$120,456,953	$19,401,823	$16,863,108	$1,357,858	$562,644
Fullerton \ Normandy	10/07/1993	10/07/2016	$2,031,931	$13,697,709	$11,665,778	$5,211,536	$6,612,138	$1,956,314	
Galewood \ Armitage	07/07/1999	07/07/2022	$48,056,697	$82,633,846	$34,577,149	$13,407,666	$6,098,771	$330,977	$434,121
Goose Island	07/10/1996	07/10/2019	$13,676,187	$70,000,072	$56,323,885	$7,590,464	$18,022,132	$12,866,170	$3,664,304
Greater Southwest Industrial (East)	03/10/1999	12/31/2023	$17,662,923	$30,342,078	$12,679,155	$1,739,362	$3,264,711	$650,428	
Greater Southwest Industrial (West)	04/12/2000	12/31/2024	$115,603,413	$133,946,341	$18,342,928	$5,435,794	$5,356,303		
Harlem Industrial Park Conserv. Area	03/14/2007	03/14/2030							

(continued on next page)

Appendix A. City of Chicago Tax Increment Financing Districts *(continued)*

TIF Name	Date Authorized	Date Expires	Frozen Value	2006 Equalized Value	2006 Estimated Increment Value	Fund Balance (2007)	Increment Revenues to Date (2006)	Public Investment 1999–2007	Reserved for Debt Service
Harrison \ Central	07/26/2006	12/31/2030				$701,650	---		$72,778
Hollywood \ Sheridan	11/07/2007	12/31/2031							
Homan \ Arthington	02/05/1998	02/05/2021	$2,658,362	$13,903,339	$11,244,977	$3,214,693	$3,594,482		
Homan \ Grand Trunk	12/15/1993	12/15/2016	$35,753	$3,515,118	$3,479,365	$1,827,574	$2,201,719		
Howard \ Paulina	10/14/1988	10/14/2011	$10,081,104	$42,533,720	$32,452,616	$6,042,386	$13,247,609	$8,827,834	
Humboldt Park	06/27/2001	12/31/2025	$32,161,252	$84,282,034	$52,120,782	$3,683,300	$6,952,626	$288,054	$797,545
Irving \ Cicero	06/10/1996	12/31/2020	$8,150,631	$18,665,440	$10,514,809	$776,176	$4,216,728	$90,000	$525,521
Jefferson Park	09/09/1998	09/09/2021	$23,970,085	$41,357,839	$17,387,754	$1,761,290	$3,010,083	$720,082	$393,225
Jefferson \ Roosevelt	08/30/2000	12/31/2024	$52,292,656	$88,622,718	$36,330,062	$10,378,035	$7,165,316	$6,119,725	
Kinzie Industrial Corridor	06/10/1998	06/10/2021	$142,386,487	$445,391,864	$303,005,377	$38,559,991	$70,814,921	$8,292,848	
Lake Calumet Area Industrial	12/13/2000	12/31/2024	$189,582,050	$299,723,810	$110,141,760	$10,380,840	$10,640,445		
Lakefront	03/27/2002	12/31/2026	---	$2,000,434	$2,000,434	$298,667	$515,322		
Lakeside \ Clarendon	07/21/2004	12/31/2028	$3,091,585	$7,249,366	$4,157,781	$62,962	$62,031		
LaSalle Central	11/15/2006	12/31/2030	$4,192,663,826	$4,345,456,687	$152,792,861	$9,672,999	$9,065,644		
Lawrence \ Broadway	06/27/2001	12/31/2025	$38,603,611	$96,097,205	$57,493,594	$5,075,720	$8,793,326	$2,746,237	
Lawrence \ Kedzie	02/16/2000	12/31/2024	$110,395,843	$238,994,423	$128,598,580	$28,444,618	$24,138,576	$5,838,750	$2,370,744
Lawrence \ Pulaski	02/27/2002	12/31/2026	$43,705,743	$65,876,311	$22,170,568	$3,695,149	$3,049,277		
Lincoln Avenue	11/03/1999	12/31/2023	$63,741,191	$108,202,078	$44,460,887	$38,939,928	$10,589,994	$3,639,860	$1,948,757
Lincoln \ Belmont \ Ashland	11/02/1994	11/02/2017	$2,457,347	$21,755,883	$19,298,536	$1,881,358	$10,164,997		$1,621,103
Little Village Industrial Corridor	06/13/2007	12/31/2031							
Madden \ Wells	11/06/2002	12/31/2026	$1,333,570	$10,832,896	$9,499,326	$641,120	$754,067		
Madison \ Austin	09/29/1999	12/31/2023	$48,748,259	$84,363,578	$35,615,319	$38,139,842	$5,429,253	$4,166,112	$3,092,013
Michigan \ Cermak	09/13/1989	09/13/2012	$5,858,634	$19,013,820	$13,155,186	$2,466,199	$3,250,660		
Midway Industrial Corridor	02/16/2000	12/31/2024	$48,652,950	$78,631,189	$29,978,239	$3,836,738	$4,930,051		
Midwest	05/17/2000	12/31/2024	$98,087,099	$350,012,597	$251,925,498	$50,071,253	$35,987,841	$5,501,090	$2,701,362
Monteclare	08/30/2000	12/31/2024	$792,770	$8,442,405	$7,649,635	$400,007	$1,352,781	$535,064	
Near North	07/30/1997	07/30/2020	$41,675,843	$311,141,902	$269,466,059	$34,402,992	$63,637,541	$14,650,426	$12,045,202
Near South	11/28/1990	12/31/2014	$128,567,114	$898,917,906	$770,350,792	$91,710,882	$188,376,405	$141,290,141	$24,034,724
Near West	03/23/1989	03/23/2013	$36,805,570	$231,399,072	$194,593,502	$39,568,404	$59,443,443	$2,500,000	$2,968,974
North \ Cicero	07/30/1997	07/30/2020	$5,658,542	$29,867,820	$24,209,278	$1,634,947	$4,891,564	$3,468,826	
North Branch (North)	07/02/1997	12/31/2021	$29,574,537	$107,833,122	$78,258,585	$18,084,904	$19,430,360		
North Branch (South)	02/05/1998	02/05/2021	$44,361,677	$149,552,366	$105,190,689	$18,541,618	$24,297,532		
Northwest Industrial Corridor	12/02/1998	12/02/2021	$146,115,991	$269,248,358	$123,132,367	$12,834,621	$20,097,201	$971,121	
Ohio \ Wabash	06/07/2000	12/31/2024	$1,278,143	$29,724,875	$28,446,732	$1,530,905	$5,832,040	$4,280,762	
Pershing \ King	09/05/2007	12/31/2031							
Peterson \ Cicero	02/16/2000	12/31/2024	$1,116,653	$1,450,757	$334,104	$16,755	$17,714		
Peterson \ Pulaski	02/16/2000	02/16/2023	$40,112,395	$60,229,370	$20,116,975	$3,230,472	$3,705,628		
Pilsen Industrial Corridor	06/10/1998	12/31/2022	$111,203,219	$274,372,215	$163,168,996	$48,102,537	$37,616,903	$18,926,972	$9,823,032

(continued on next page)

Appendix A. City of Chicago Tax Increment Financing Districts *(continued)*

TIF Name	Date Authorized	Date Expires	Frozen Value	2006 Equalized Value	2006 Estimated Increment Value	Fund Balance (2007)	Increment Revenues to Date (2006)	Public Investment 1999–2007	Reserved for Debt Service
Portage Park	09/09/1998	09/09/2021	$65,084,552	$118,191,436	$53,106,884	$7,7[illegible],345	$10,059,309	$329,011	
Pratt \ Ridge Industrial Park Conserv. Area	06/23/2004	12/31/2028							
Pulaski Industrial Corridor	06/09/1999	06/09/2022	$82,778,075	$153,562,797	$70,784,722	$6,775,938	$11,349,760		$1,154,369
Ravenswood Corridor	03/09/2005	12/31/2029		$53,992,219	$53,992,219	$972,879	$478,783		
Read \ Dunning	01/11/1991	12/31/2015	$6,382,072	$55,118,888	$48,736,816	$6,238,091	$22,345,520	$1,982,652	$1,204,373
River South	04/30/1997	04/30/2020	$65,852,957	$265,255,041	$199,402,084	$29,920,568	$44,633,843		
River West	01/10/2001	12/31/2025	$50,463,240	$211,138,127	$160,674,887	$14,356,280	$24,032,265	$5,238,920	
Roosevelt \ Canal	03/19/1997	12/31/2021	$1,276,969	$25,521,556	$24,244,587	$2,839,717	$9,208,940	$6,772,754	
Roosevelt \ Cicero	02/05/1998	02/05/2021	$45,179,428	$81,795,826	$36,616,398	$5,423,528	$7,847,658		
Roosevelt \ Homan	12/05/1990	12/05/2013	$3,539,018	$21,464,735	$17,925,717	$5,080,536	$5,945,428	$1,116,003	
Roosevelt \ Racine	11/04/1998	12/31/2022	$6,992,428	$23,479,298	$16,486,870	$1,274,011	$1,014,891		
Roosevelt \ Union	05/12/1999	05/12/2022	$4,369,258	$70,301,997	$65,932,739	$3,766,223	$10,548,575	$7,217,637	
Roseland \ Michigan	01/16/2002	12/31/2026	$29,627,768	$39,781,403	$10,153,635	$1,105,516	$1,043,576		
Ryan \ Garfield	12/18/1986	12/18/2009	$166,083	$7,001,077	$6,834,994	$4,838,265	$10,595,401		
Sanitary and Ship Canal	07/24/1991	07/24/2014	$10,722,329	$28,224,785	$17,502,456	$1,621,153	$8,881,262		$722,124
South Chicago	04/12/2000	12/31/2024	$14,775,992	$35,178,788	$20,402,796	$1,507,957	$3,403,000	$1,053,540	
South Works Industrial	11/03/1999	11/03/2022	$3,823,633	$7,634,155	$3,810,522	$496,314	$513,057		
Stevenson \ Brighton	04/11/2007	12/31/2031							
Stockyards Annex	12/11/1996	12/31/2020	$38,650,631	$69,095,595	$30,444,964	$9,685,974	$10,660,114		
Stockyards Industrial Commercial	03/09/1989	03/09/2012	$11,178,459	$46,148,502	$34,970,043	$3,558,759	$31,301,214		$3,294,031
Stockyards Southeast Quadrant Industrial	02/26/1992	02/26/2015	$21,527,824	$49,805,630	$28,277,806	$6,564,064	$21,083,681	$1,000,000	$3,485,000
Stony Island \ Burnside	06/10/1998	06/10/2021	$46,058,038	$90,603,704	$44,545,666	$5,664,109	$10,586,689	$574,104	
Touhy \ Western	09/13/2006	12/31/2030				$8,301,297		$359,550	$363,990
West Grand	06/10/1996	06/10/2019	$465,129	$2,072,508	$1,607,379	$86,694	$792,777	$677,800	
West Irving Park	01/12/2000	12/31/2024	$36,446,831	$58,390,921	$21,944,090	$6,074,219	$3,816,649	$8,126	
West Pullman	03/11/1998	03/11/2021	$7,050,845	$9,208,212	$2,157,367	$10,694	$55,093		
West Ridge \ Peterson	10/27/1986	12/31/2010	$1,617,926	$7,640,403	$6,022,477	$910,364	$7,531,569	$2,600,000	
Western Avenue North	01/12/2000	12/31/2024	$71,205,617	$146,788,015	$75,582,398	$10,120,892	$13,476,507	$515,122	
Western Avenue South	01/12/2000	12/31/2024	$69,515,261	$172,863,669	$103,348,408	$12,156,506	$17,343,543	$374,562	$2,043,682
Western \ Ogden	02/05/1998	02/05/2021	$33,184,486	$128,608,487	$95,424,001	$6,633,022	$15,913,089		
Western Avenue \ Rock Island	02/08/2006	12/31/2030							
Wilson Yard	06/27/2001	12/31/2025	$55,960,211	$165,931,258	$109,971,047	$10,473,681	$21,032,291	$10,057,273	
Woodlawn	01/20/1999	01/20/2022	$28,865,833	$81,706,867	$52,341,034	$5,345,946	$8,687,462	$912,691	
Totals			$9,298,662,774	$18,622,897,755	$9,324,234,981	$1,528,538,201	$2,409,154,030	$509,942,278	$253,294,779

Source: Cook County Clerk (2006); City of Chicago (2007)