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Cook County TIFs to generate nearly \$1.6 Billion in Revenue

TIF revenue up 15.3% in Chicago, down 13.7% in Suburbs

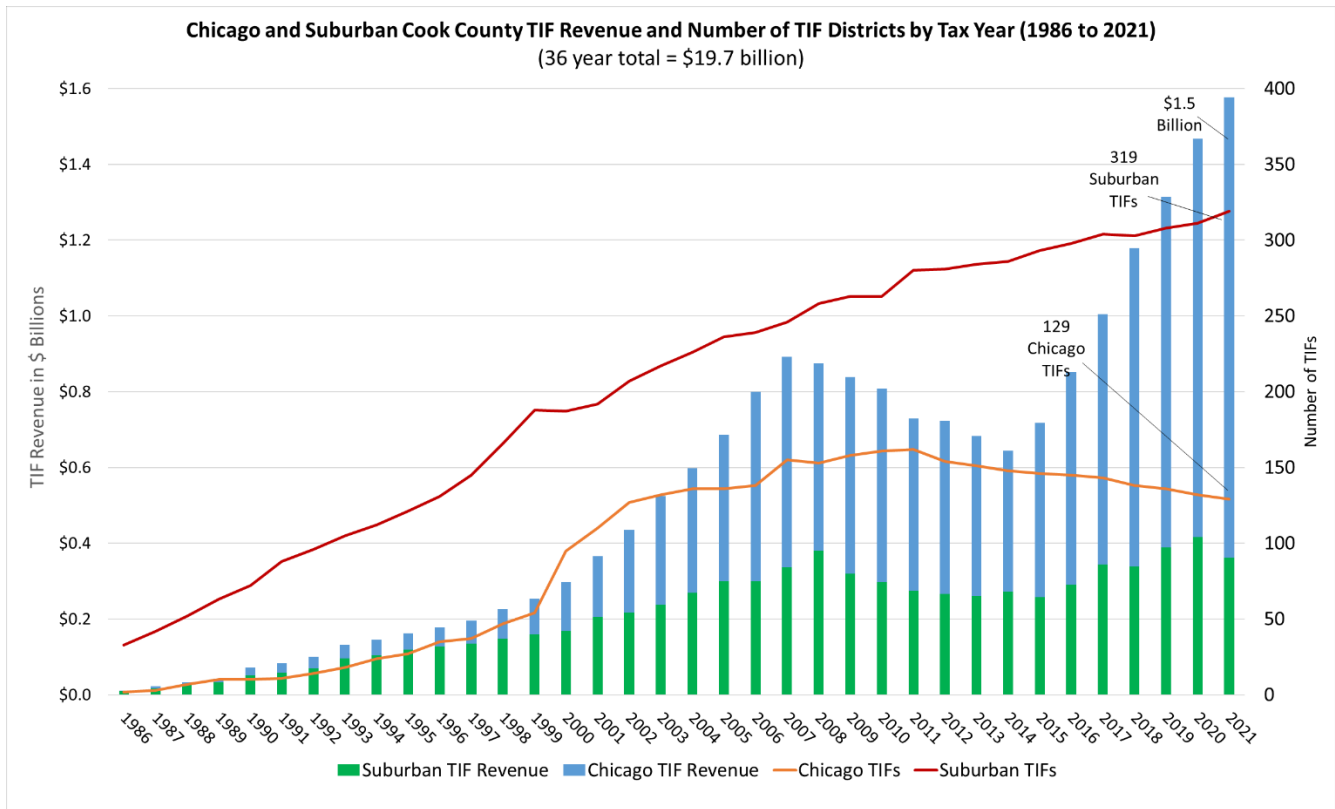
Tax Increment Financing (TIF) districts in Cook County will bring in nearly \$1.6 billion for tax year 2021, according to a report released Thursday by the Office of Clerk Karen A. Yarbrough.

The revenues from TIFs continue to climb in Cook County, with the total increasing 7.4% compared to the total of nearly \$1.5 billion for tax year 2020, according to the report. In the City of Chicago, which was reassessed, TIF revenue increased 15.5%. Conversely, TIF revenue in suburban Cook County, which was not reassessed, decreased 13.2%. Most of the declines occurred in the north and northwestern suburbs (23.7% overall decrease) while south and western suburban TIFs remained flat overall.

Of the ten TIFs with the highest lifetime revenue as of last year, three were closed in 2021. The Hoffman Estates Sears TIF, the Glenview Naval Air Station TIF, and the City of Chicago River South TIF all closed in 2021. Additionally, the Des Plaines Downtown TIF, which had the 30th overall highest revenue and the 5th greatest suburban total revenue, also closed this year. Overall, fourteen TIFs closed this year. This includes three south suburban TIFs (Markham Jevic Business Park TIF, Riverdale TIF #3, and South Holland I-80 TIF) as well as two more Chicago TIFs (North Branch North TIF, and North/Cicero TIF).



Tax Increment Financing is intended to provide funding for the redevelopment of certain areas that are designated under state law as blighted by using a portion of local property tax revenue. The graph below indicates TIF revenue and the number of TIFs in Chicago and the suburban communities of Cook County for the past 36 years.



“With the release of today’s report, we are encouraging Cook County residents to arm themselves with information about their local TIF districts, so they are not surprised when they see those deductions on their tax bills,” said Yarbrough.

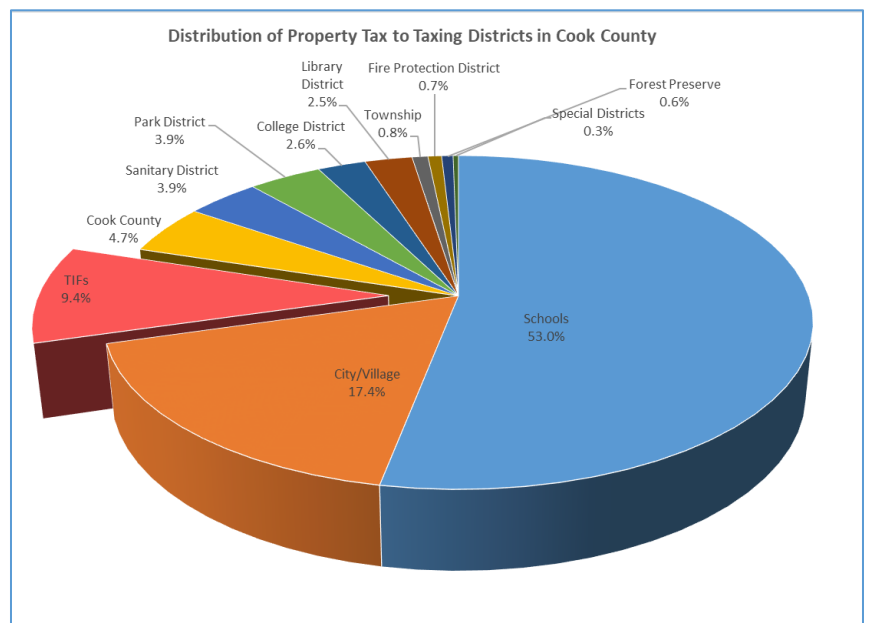
“The Clerk’s Office remains committed to transparency and accountability and this report provides a comprehensive analysis that gives taxpayers a better understanding of how their tax dollars are being distributed.”

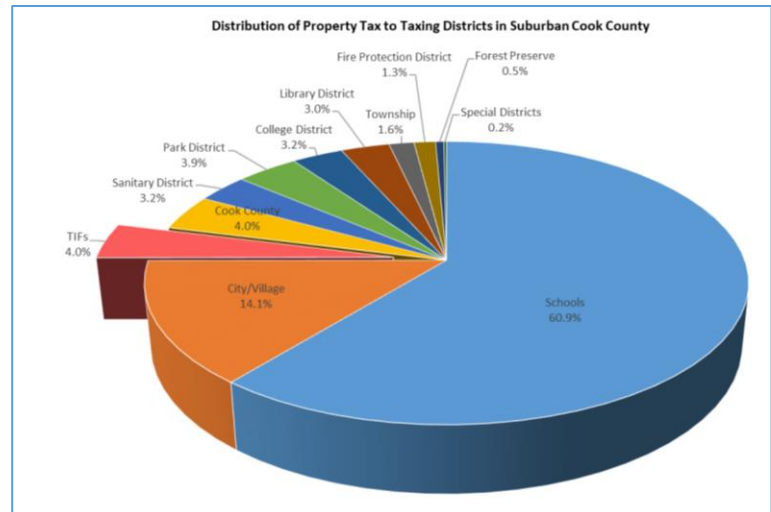
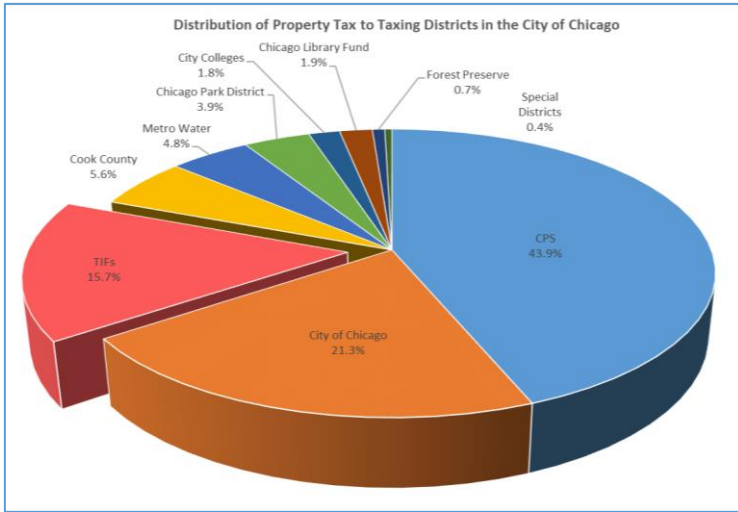
TIFs account for 9.4% of property taxes billed in Cook County

The nearly \$1.6 billion derived from TIFs in Cook County amounts to 9.4% of the total \$16.7 billion in property tax billed to Cook County taxpayers this year.

In the City of Chicago (see lower-left chart on next page), TIFs account for 15.7% of the total tax billed for all taxing districts in the City.

TIFs account for 4.0% of the total tax billed for all taxing districts in the suburbs this year (see lower-right chart on next page).

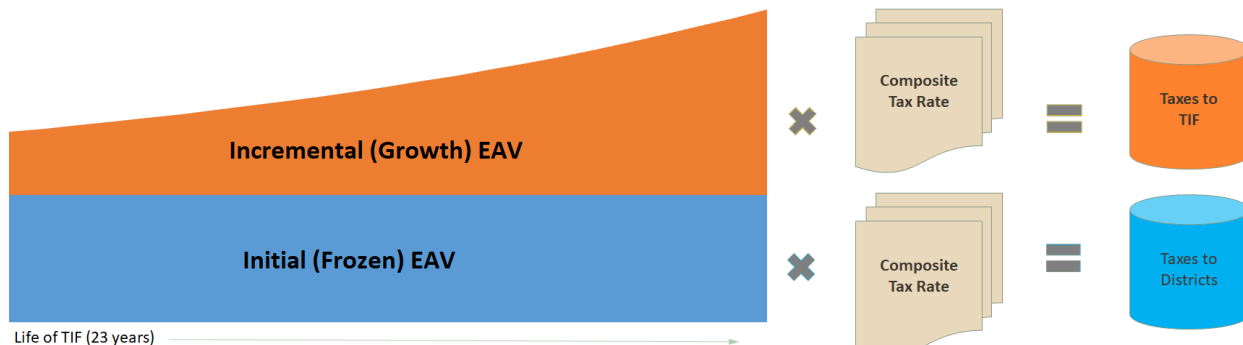




The Clerk's role in TIF tabulation

The process of calculating property taxes begins every year with municipalities and other taxing districts approving their annual property tax levies and submitting them to the County Clerk. The Clerk's Office calculates a tax rate for each district. That rate is applied to all properties within that district to generate the respective tax bills.

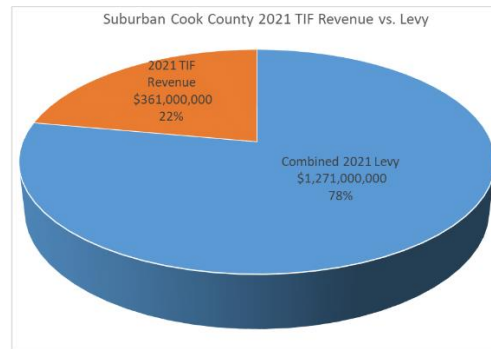
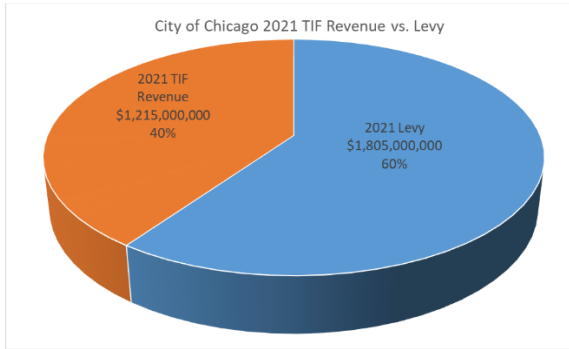
However, TIFs work differently. TIF revenue is not included in a municipality's annual property tax levy. Pursuant to statute, TIFs follow a separate approval process. Once a TIF is approved and an ordinance is passed, the municipality submits that documentation to the County Clerk's Office. The Clerk applies the initial EAV within the TIF as of the date the TIF was adopted. This initial EAV, or base value, is then "frozen" for the life of the TIF (typically 23 years). Each subsequent year, if there is any growth in property values reflected in an increase in EAV (Incremental EAV), that value growth is multiplied by the composite tax rate of the properties inside the TIF to calculate the TIF incremental revenue. The property taxes generated by this increase in property value is distributed to the TIF. Whereas the property taxes generated by the value of the Frozen EAV go to the other taxing districts. See the chart below for an illustration of this process.



Once a TIF ordinance is adopted of the TIF district, the TIF district will continue to receive TIF revenue for the duration of the TIF without requiring a yearly levy or further documentaion. A TIF district's revenue will continue to be calculated in the manner shown above, unless the Clerk's Office is provided writtten direction from a municipality to terminate the TIF or alter the boundary of a TIF.

Breakdown of taxes billed by TIF revenue and Tax Levy revenue

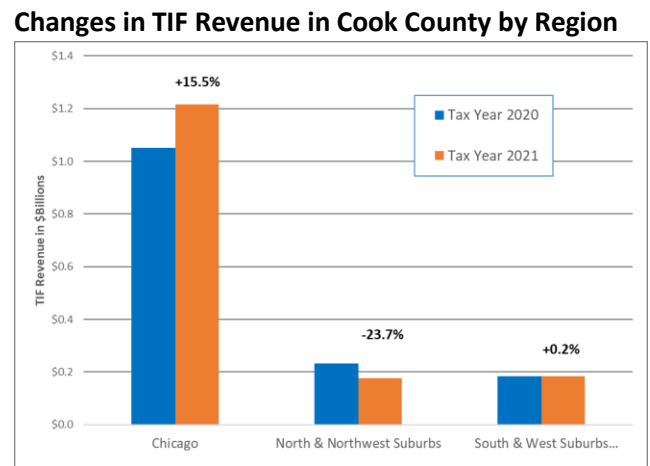
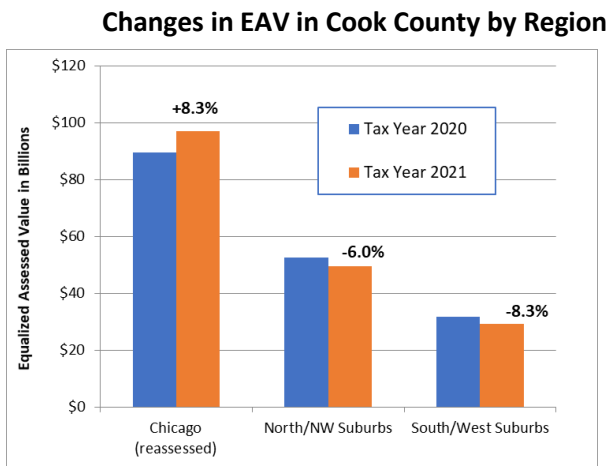
As illustrated by the charts below, Chicago TIF revenue, when added to the property tax generated by the City’s 2021 property tax levy, is 40% of the total tax to be collected by the City of Chicago. The combined total of all suburban TIF revenue accounts for 22% of the property tax revenue to be collected by suburban municipalities¹.



Factors that impact TIF revenue

Following the triennial reassessment in the City of Chicago this year, taxable values within the City increased by approximately 8.3% compared to last year. TIF revenue in that same area increased 15.5%. Taxable values in the north/northwest suburbs and south/west suburbs decreased 6.0% and 8.3% respectively.

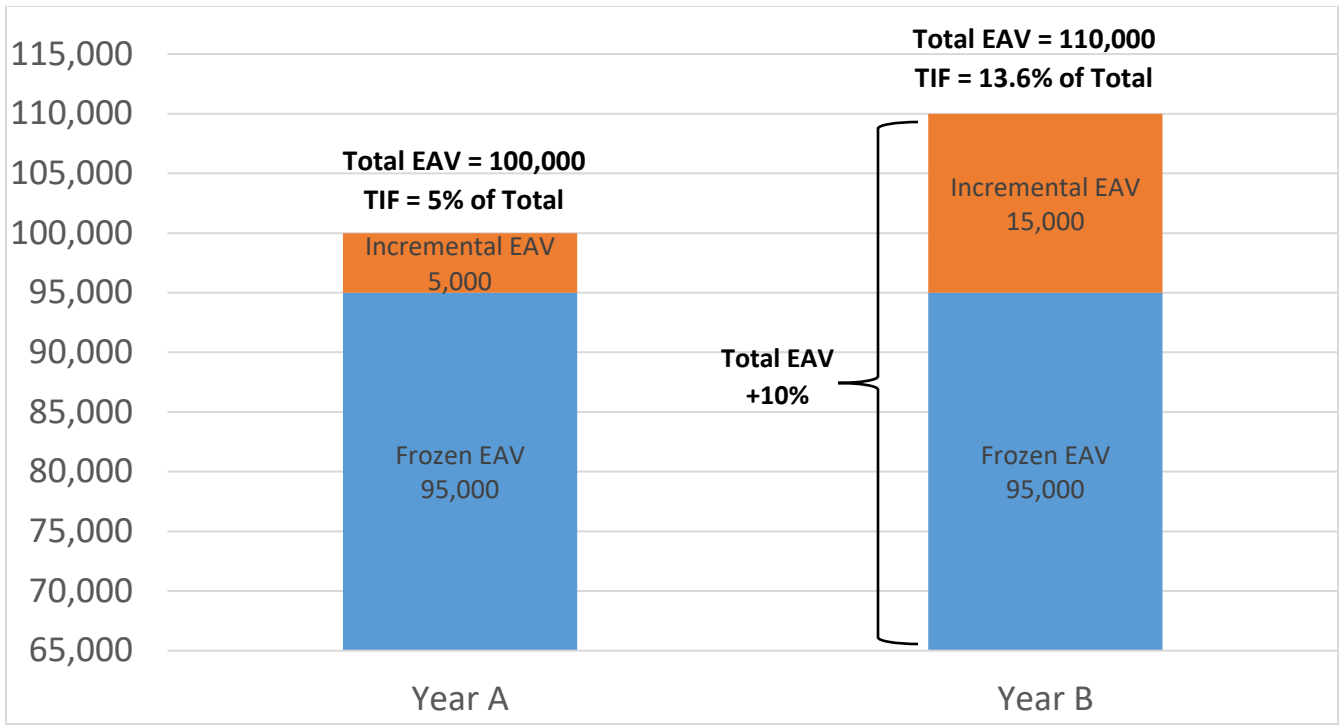
The charts below show the differences in total equalized assessed value (EAV) by region and the corresponding differences in TIF revenue by region. While TIF revenue increased in the City of Chicago, it decreased in the north/northwest suburbs and remained flat in the south/western suburbs.



TIF revenue is a combination of the composite tax rate of the taxing districts within the TIF and the increase in EAV that has occurred since start of the TIF when the taxable value within the TIF was “frozen” for the duration of the TIF. Of these two factors, increases in EAV tend to have a larger impact upon TIF revenue. When the EAV within a TIF goes up, the entirety of the revenue generated by that growth is allocated to the TIF rather than to other taxing districts.

See the example below which illustrates how a moderate increase in the total EAV of a taxing district may result in a substantial increase in TIF revenue from one year to the next. In the example, the 10% increase of total EAV from Year A to Year B had the result of nearly tripling the TIF’s portion of property tax revenues in that district (increasing from 5% in Year A to 13.6% in Year B).

¹ Suburban TIF total as compared to total property tax extension for all suburban cities, towns, and villages, with or without TIF.



City of Chicago TIFs

There are currently 448 active TIF districts in Cook County, with 129 TIFs in the City of Chicago and 319 TIFs in the suburbs. Despite there being twice as many TIFs in the suburbs than in the City of Chicago, far more TIF revenue is generated by Chicago TIFs than by suburban TIFs. Chicago TIFs account for 77% of the total TIF revenue in Cook County while the other 23% of TIF revenue is generated by TIFs in 100 other cities and villages.

No new TIFs were created in the City this year. Three Chicago TIFs were closed. The total Chicago TIF revenue increased from \$1.05 billion last year to \$1.22 billion this year, a 15.5% increase.

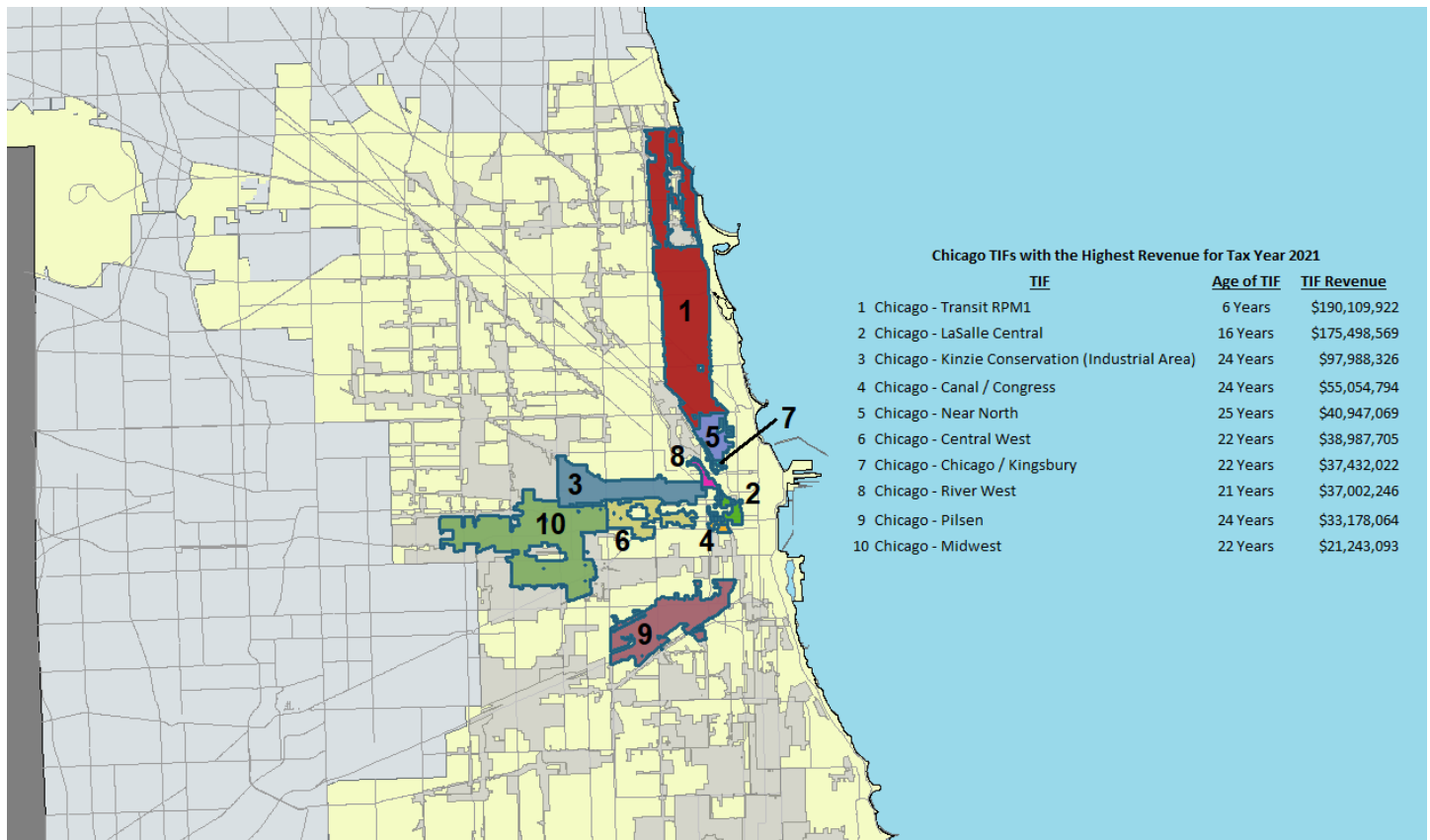
Ten TIFs in the City of Chicago generated over \$20 million each this year. These TIFs are located primarily in or around the downtown area with the exception of the Pilsen TIF which lies on the south side of the City and the Red Purple Modernization Phase 1 (RPM1) Transit TIF which is in the north side neighborhood of Lakeview. The RPM1 Transit TIF is the largest TIF geographically and is now also the largest TIF financially for 2021. For more specific information on transit TIFs, see [Transit TIF Fact Sheet](#), [Chicago TIF Overview](#) & [Chicago TIF Summary](#).

The following chart shows the 10 highest revenue-generating TIFs in the City of Chicago for 2021. Each TIF will bring in more than \$20 million this year.

TIF NAME	First Year	2021 Revenue	Total Revenue
Chicago - Transit RPM1	2016	\$190,109,922	\$632,101,325
Chicago - LaSalle Central	2006	\$175,498,569	\$800,458,917
Chicago - Kinzie Conservation (Industrial Area)	1998	\$97,988,326	\$600,949,942
Chicago - Canal / Congress	1998	\$55,054,794	\$481,173,206
Chicago - Near North	1997	\$40,947,069	\$447,092,336
Chicago - Central West	2000	\$38,987,705	\$353,718,375
Chicago - Chicago / Kingsbury	2000	\$37,432,022	\$380,353,724

Chicago - River West	2001	\$37,002,246	\$305,653,241
Chicago - Pilsen	1998	\$33,178,064	\$266,692,757
Chicago - Midwest	2000	\$21,243,093	\$285,712,287

The map below shows the location of these TIFs, which account for 59.9% of the City's total TIF revenue this year.



The Red-Purple Modernization Phase 1 Project (RPM1) Transit TIF is a mile wide and extends from North Avenue to Devon Avenue along CTA's Red and Purple line tracks. This TIF was created to fund transit improvements along CTA rail lines on the north side of the City and to repay federal loans. Now in its fifth year, as taxable values continue to increase, revenue generated by the Transit TIF has increased 35.5% compared to last year with over \$190 million in property tax compared to \$140 million last year.

Due to the unique distribution rules established by statute for Transit TIFs (65 ILCS 5/11-74.4-8), the TIF itself will net approximately \$73 million of this total. The balance of the revenue brought in by this TIF will be distributed to CPS and the other taxing districts such as the County, the Forest Preserve, Metropolitan Water Reclamation, Chicago Parks, City Colleges, and the City of Chicago. This Transit TIF revenue is in addition to the annual tax levies submitted by these taxing districts. See [Transit TIF Fact Sheet](#).

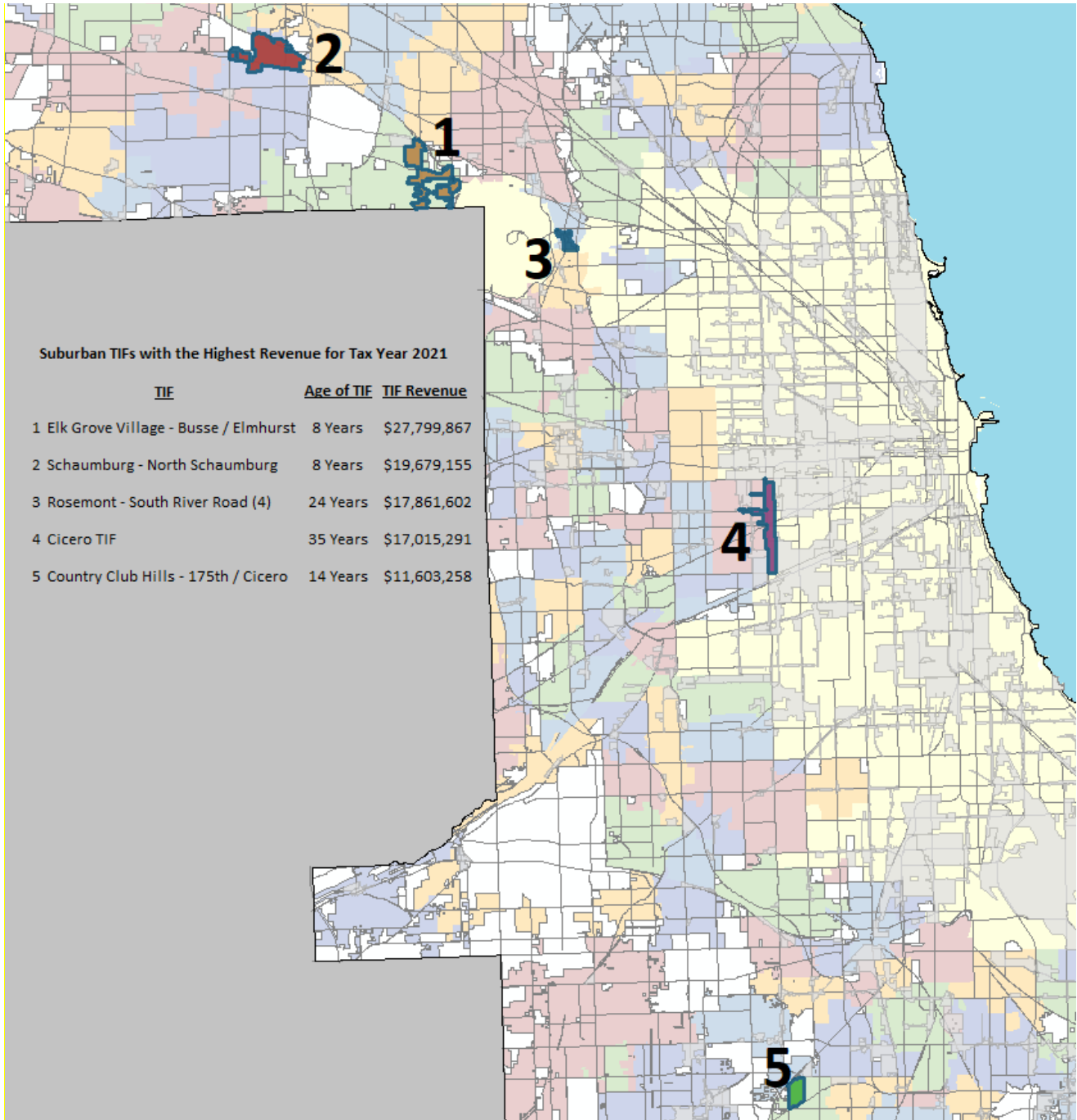
Suburban TIFs

There are currently 313 active TIFs in 100 suburban municipalities. Suburban TIFs account for 71% of the total number of TIFs in Cook County but generate only 23% of the total TIF revenue. Overall, TIF Revenue in the suburbs decreased by 13.2% this year. This is primarily due to decreased taxable values in the suburbs which were not reassessed but experienced a 6.85% reduction in the Cook County Equalization Factor issued by the Illinois Department of Revenue. See the Clerk's [2021 Tax Rate Report](#) for more information.

The table below lists the five suburban TIFs that generated over \$10 million each this year. Of these, three are in the northwestern suburbs, one is in the near western suburbs, and one is in the southern suburbs. These five TIFs account for nearly 26% of the total TIF revenue generated in suburban Cook County.

Region	TIF	First Year	2021 Revenue	Total Revenue
Northwest	Elk Grove Village - Busse / Elmhurst	2014	\$27,799,867	\$102,744,415
Northwest	Schaumburg - North Schaumburg	2014	\$19,679,155	\$80,407,561
Northwest	Rosemont - South River Road (4)	1998	\$17,861,602	\$118,169,663
West	Cicero TIF	1987	\$17,015,291	\$278,871,585
South	Country Club Hills - 175th / Cicero	2008	\$11,603,258	\$11,603,333

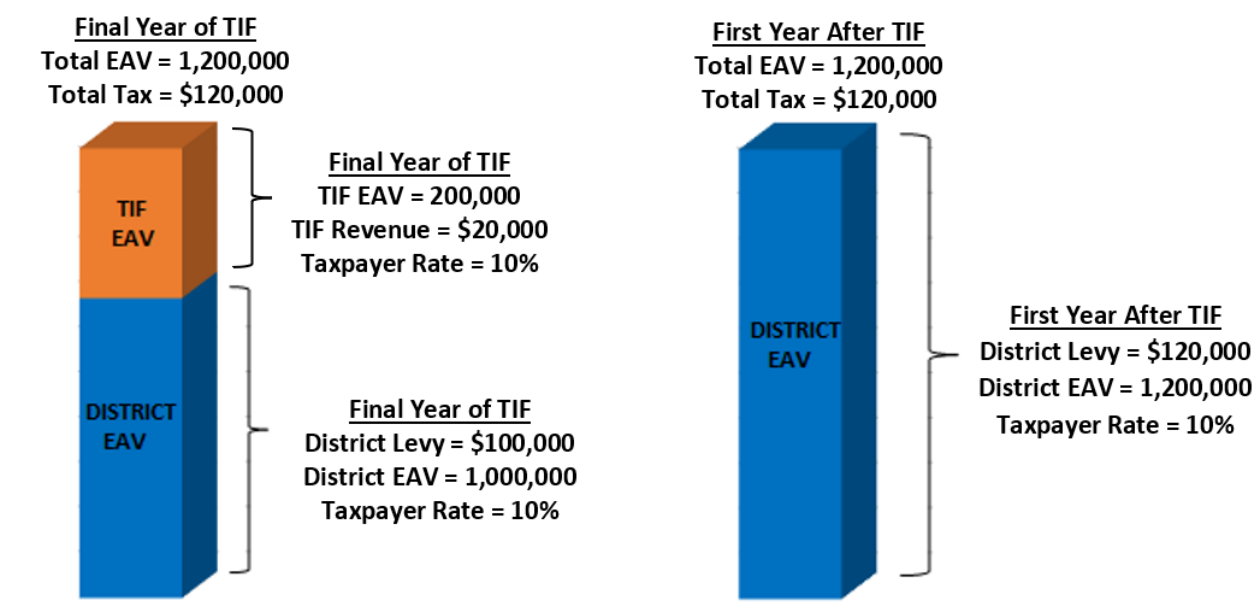
The map below shows the locations of the five highest-revenue suburban TIFs for tax year 2021.



After TIFs Close

The typical lifespan of a TIF is 23 years, though TIFs may be extended through legislation or terminated early by the municipality. There are two ways other taxing districts may benefit when a TIF retires: TIF Surplus and recovered TIF value.

- TIF Surplus may be declared by the municipality at any time during the life of a TIF, but normally it is declared after the TIF retires. The surplus is surrendered to the Cook County Treasurer, who distributes it proportionally to all of the taxing districts affected by the TIF.
- After a TIF has been retired, taxing districts, which were formerly only able to tax at the frozen value, are able to recover all of the “new” value (previously the incremental value) within their boundaries which was previously available only to the TIF. In the year the TIF retires, taxing districts may increase their levies to receive a one-time revenue increase which may result from the addition of the incremental value, without a corresponding increase in the tax rate applied to their taxpayers. Below is an example of how taxing districts may increase their levy following the retirement of a TIF without increasing the tax rate applied to taxpayers.



Additional TIF Information

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](#), [Chicago Overview](#), [Suburban Overview](#), [Transit TIF Fact Sheet](#), [TIF FAQs](#).

Visit [TIF Viewer](#), a mapping application, to see TIF data at the map level and search by municipality, ward, address or PIN.

For a brief overview and refresher regarding 2021 TIFs, view our [2021 TIF Quick Fact Sheet](#).

Previous TIF reports, the TIF property search tool, and TIF maps can be found at cookcountyclerk.com/tifs.