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Cook County TIFs to generate nearly $1.7 Billion in Revenue
TIF revenue up 11.9% in Suburbs, 6.3% in Chicago

Tax Increment Financing (TIF) districts in Cook County will bring in nearly $1.7 billion for tax year 2022, 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 7.55% compared to the total of nearly $1.6 billion for tax year 2021, according to the report. In the north and northwestern suburbs, which were reassessed for tax year 2022, TIF revenues increased 12.3%. The south and western suburbs experienced a total TIF revenue increase of 11.55%. TIF Revenue in the City of Chicago increased 6.25%.

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 37 years.

“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,” said Clerk Yarbrough.

“With the release of this 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.”
TIFs account for 9.6% of property taxes billed in Cook County

The nearly $1.7 billion derived from TIFs in Cook County amounts to 9.6% of the total $17.6 billion in property tax billed to Cook County taxpayers this year.

In the City of Chicago (see lower-left chart below), TIFs account for 15.8% of the total tax billed for all taxing districts in the City.

TIFs account for 4.25% of the total tax billed for all taxing districts in the suburbs this year (see lower-right chart below).

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 for 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 documentation. A TIF district’s revenue will continue to be calculated in the manner shown above, unless the Clerk’s Office is provided written 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 2022 property tax levy, is 41% of the total tax to be collected by the City of Chicago. The combined total of all suburban TIF revenue accounts for 24% of the property tax revenue to be collected by suburban municipalities.

Factors that impact TIF revenue

Following the triennial reassessment in the suburbs north of North Avenue this year, taxable values within the northern suburbs increased by approximately 19.6% compared to last year. TIF revenue in that same area increased 12.3%. Taxable values in the City of Chicago and the south and western suburbs decreased 0.2% and 1.6% respectively.

The following charts show the differences in total equalized assessed value (EAV) by region and the corresponding differences in TIF revenue by region.

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

![Graph illustrating TIF revenue example]

**City of Chicago TIFs**

There are currently 447 active TIF districts in Cook County, with 127 TIFs in the City of Chicago and 320 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.

Two new TIFs were created in the City this year, including the City’s second “Transit TIF”. Four Chicago TIFs were closed. The total Chicago TIF revenue increased from $1.2 billion last year to nearly $1.3 billion this year, a 6.25% 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 2022. More information on transit TIFs, may be found later in this report.

The following table shows the 10 highest revenue-generating TIFs in the City of Chicago for 2022. Each TIF will bring in more than $20 million this year.
<table>
<thead>
<tr>
<th>TIF NAME</th>
<th>First Year</th>
<th>2022 Revenue</th>
<th>Total TIF Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago - Transit RPM1</td>
<td>2016</td>
<td>$184,344,347</td>
<td>$816,445,671</td>
</tr>
<tr>
<td>Chicago - LaSalle Central</td>
<td>2006</td>
<td>$182,782,867</td>
<td>$983,241,783</td>
</tr>
<tr>
<td>Chicago - Kinzie Conservation (Industrial Area)</td>
<td>1998</td>
<td>$134,616,485</td>
<td>$735,566,427</td>
</tr>
<tr>
<td>Chicago - Canal / Congress</td>
<td>1998</td>
<td>$65,117,690</td>
<td>$546,290,896</td>
</tr>
<tr>
<td>Chicago - Near North</td>
<td>1997</td>
<td>$42,072,878</td>
<td>$489,165,213</td>
</tr>
<tr>
<td>Chicago - River West</td>
<td>2001</td>
<td>$41,985,576</td>
<td>$347,638,817</td>
</tr>
<tr>
<td>Chicago - Central West</td>
<td>2000</td>
<td>$41,462,169</td>
<td>$395,180,543</td>
</tr>
<tr>
<td>Chicago - Chicago / Kingsbury</td>
<td>2000</td>
<td>$38,425,852</td>
<td>$418,779,576</td>
</tr>
<tr>
<td>Chicago - Pilsen</td>
<td>1998</td>
<td>$36,284,699</td>
<td>$302,977,456</td>
</tr>
<tr>
<td>Chicago - Midwest</td>
<td>2000</td>
<td>$21,452,047</td>
<td>$307,164,334</td>
</tr>
</tbody>
</table>

The map below shows the location of these TIFs, which account for 61.1% 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 seventh year, taxable values within the TIF have increased 44% overall since its creation in 2016. However, revenue generated by the City’s first Transit TIF generated $184 million this year, a 3% decrease compared to last year, when it generated $190. This reduction is primarily due to the decrease in Cook County’s equalization factor for tax year 2022.

The City’s second Transit TIF, on the south side of the City, generated approximately $5 million in this, its first year.

Due to the unique distribution rules established by statute for Transit TIFs (65 ILCS 5/11-74.4-8), the Transit TIFs themselves will net approximately $69.5 million and $2 million respectively of the total $185 million generated by Transit TIFs this year.
The balance of the revenue brought in by these TIFs 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.

**Suburban TIFs**

There are currently 320 active TIFs in 99 suburban municipalities. Suburban TIFs account for 71.5% of the total number of TIFs in Cook County but generate only 22.9% of the total TIF revenue. TIF Revenue in the north and northwest suburbs increased by 12.3% this year. This is primarily due to the triennial reassessment of all suburban property lying north of North Avenue this year.

The south and western suburbs were not reassessed this year and experienced an overall decrease in taxable values of 1.6%. Normally, a decrease in taxable value would result in a corresponding reduction in TIF revenue. However, despite taxable values decreasing in the south and western suburbs in tax year 2022, TIF revenues increased 11.55%. This is primarily due to two specific TIFs: the Village of Markham Interstate Crossings TIF, which includes the new Amazon distribution center at 159th Street and Dixie Highway, and the City of Chicago Heights East Industrial TIF, which includes a new XPO Logistics hub located at Cottage Grove and Lincoln Highway. Together, these south suburban TIFs increased from $2.2 million in TIF revenue last year to a combined $25.1 million this year.

The table below lists the 10 suburban TIFs which experienced the largest increases in TIF revenue for tax year 2022 compared to 2021.

<table>
<thead>
<tr>
<th>Region</th>
<th>TIF NAME</th>
<th>First Year</th>
<th>2021 Revenue</th>
<th>2022 Revenue</th>
<th>Revenue Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>Markham - Interstate Crossings</td>
<td>2017</td>
<td>$399,034</td>
<td>$20,029,567</td>
<td>$19,630,533</td>
</tr>
<tr>
<td>North</td>
<td>Elk Grove Village - Busse / Elmhurst</td>
<td>2014</td>
<td>$27,799,867</td>
<td>$36,794,740</td>
<td>$8,994,872</td>
</tr>
<tr>
<td>Far South</td>
<td>Chicago Heights - East Industrial</td>
<td>2018</td>
<td>$1,788,914</td>
<td>$5,163,012</td>
<td>$3,374,099</td>
</tr>
<tr>
<td>North</td>
<td>Elk Grove Village - Higgins Rd Corridor</td>
<td>2017</td>
<td>$4,039,144</td>
<td>$5,163,012</td>
<td>$1,206,870</td>
</tr>
<tr>
<td>North</td>
<td>Mount Prospect - Prospect &amp; Main</td>
<td>2017</td>
<td>$1,397,494</td>
<td>$2,342,533</td>
<td>$945,040</td>
</tr>
<tr>
<td>South</td>
<td>Hazel Crest - 167th Street / Corridor</td>
<td>2002</td>
<td>$144,765</td>
<td>$1,787,058</td>
<td>$1,642,293</td>
</tr>
<tr>
<td>North</td>
<td>Niles - Milwaukee/Dempster</td>
<td>2018</td>
<td>$287,439</td>
<td>$1,838,120</td>
<td>$1,550,681</td>
</tr>
<tr>
<td>South</td>
<td>Country Club Hills - I-57/183rd Street</td>
<td>2020</td>
<td>$1,291,681</td>
<td>$2,266,404</td>
<td>$1,374,723</td>
</tr>
<tr>
<td>Far North</td>
<td>Wheeling - Town Center II</td>
<td>2014</td>
<td>$6,281,322</td>
<td>$7,622,760</td>
<td>$1,341,438</td>
</tr>
<tr>
<td>Far North</td>
<td>Wheeling - Milwaukee / Lake-Cook (North)</td>
<td>2002</td>
<td>$4,600,178</td>
<td>$5,806,427</td>
<td>$1,206,250</td>
</tr>
</tbody>
</table>
The following map shows the locations of the ten suburban TIFs with the largest increase in revenue for tax year 2022.

**TIF NAME**
1. Markham - Interstate Crossings
2. Elk Grove Village - Busse / Elmhurst
3. Chicago Heights - East Industrial
4. Elk Grove Village - Higgins Rd Corridor
5. Mount Prospect - Prospect & Main
6. Hazel Crest - 167th Street / Corridor
7. Niles - Milwaukee/Dempster
8. Country Club Hills - I-57/183rd Street
9. Wheeling - Town Center II
10. Wheeling - Milwaukee / Lake-Cook (North)

**Revenue Increase**
1. Markham - Interstate Crossings: $19,630,533
2. Elk Grove Village - Busse / Elmhurst: $8,994,872
3. Chicago Heights - East Industrial: $3,374,099
4. Elk Grove Village - Higgins Rd Corridor: $2,342,533
5. Mount Prospect - Prospect & Main: $1,980,551
6. Hazel Crest - 167th Street / Corridor: $1,642,293
8. Country Club Hills - I-57/183rd Street: $1,374,723
9. Wheeling - Town Center II: $1,341,438
10. Wheeling - Milwaukee / Lake-Cook (North): $1,206,250
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.

![Diagram showing TIF Surplus and District Levy after TIF retirement](image)

Additional TIF Information

- The following report includes additional information pertaining to TIFs active in tax year 2022.

- 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.

- Additionally, current and previous TIF reports, the TIF property search tool, and TIF maps can be found at cookcountyclerk.com/TIFs

- Visit TIF Viewer, a mapping application, to see TIF data at the map level and search by municipality, ward, address or PIN.