

NCBG's
TIF
ALMANAC

2003

Neighborhood Capital Budget Group
Chicago, Illinois



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What is NCBG?

NCBG's History: **The Neighborhood Capital Budget Group, a not-for-profit citywide coalition, was formed by grassroots community organizations and neighborhood development corporations in 1988. These organizations wanted local government to:**

- (1) *Rebuild* the aging and crumbling infrastructure in Chicago's neighborhoods,**
- (2) *Preserve* and improve the day-to-day quality of life for neighborhood residents, and**
- (3) *Reinvest* in the basic public investments and physical improvements essential to retaining and attracting business and private development.**

While NCBG advocates for increased public investment in the "bricks and mortar" of neighborhoods, the organization's vision is to bring about comprehensive and strategic community revitalization. All the bricks and mortar in the world may not make any positive difference -- *unless those investments are part of a vision of a vibrant community that better serves its long-time residents and offers educational, housing, and economic opportunity for all its members.* The NCBG organizational vision holds that *communities must be empowered to plan for, participate in, and benefit from the revitalization of the City's neighborhoods.*

Increased capital investment, **that is, more and better public works projects**, is a means to that end. **The "bricks and mortar" investment that communities seek is crucial to achieving larger economic development and quality of life goals. For example, in demanding improved**

school facilities and the alleviation of overcrowding, our goal is to provide a world class education for all children in the city.

Initially NCBG focused on the City's crumbling municipal infrastructure: the poor condition of city streets, sidewalks, sewers, public buildings, etc. Transportation infrastructure, especially the deterioration of the CTA's rail lines, soon emerged as another high priority for Chicago's neighborhoods. Later on, as City Hall turned increasingly to "tax increment financing" ("TIF") to spur economic development and to pay for infrastructure improvements, NCBG became heavily involved in TIF.

Today, NCBG is made up of nearly 200 community and economic development organizations throughout the City's 50 wards, working to increase public investment in all our neighborhoods.

NCBG provides research, policy analysis and organizing assistance to groups all over the City concerned about the City's capital spending priorities, transportation infrastructure, TIF, and the condition of our school facilities. To get the kind of public investment neighborhoods need from government, communities need to be proactive and develop their own comprehensive community plans. NCBG also assists neighborhood organizations with developing such plans for their communities.

What has NCBG accomplished?

Over the past decade, NCBG has . . .

- Opened up the City of Chicago's capital budget to direct citizen input, with annual public hearings and a permanent citizens' advisory council
- Convinced the City to commit capital dollars annually to rebuild neighborhood infrastructure ***Since 1992 the City has invested over \$7 billion*** in neighborhood improvements such as streets, sidewalks, alleys, sewers, and public facilities like our neighborhood libraries.
- Called attention to the deterioration and overcrowding in our public school facilities, and advocated for increased investment in our schools.
- Published a major study on these conditions, entitled ***Rebuilding our Schools Brick by Brick***, and periodic "report cards" on the Chicago Public Schools Capital Improvement Program.
- Provided assistance to dozens of community groups and Local School Councils to increase the capital investment being made by the Chicago Public Schools
- Successfully organized for the renovation of the CTA Green Line, ***a \$420 million capital investment*** in important neighborhood transit.
- Helped to win a ***\$440 million "Full-Funding Agreement"*** from Congress for the reconstruction of the CTA's Douglas Branch of the Blue line..
- Helped to create "The Campaign for Better Transit," an initiative to help organize Chicago's transit riders to work for an improved, expanded and more reliable mass transit system.
- Convenes and supports a citywide ***Community Task Force on TIF***, working to reform the City's major economic development program and make it more accountable to citizens and taxpayers.
- Provides the public with an array of ***reports and analyses tracking public spending in Chicago's neighborhoods***.
- Created the TIF Bill of Rights (see page 5) and is working to implement it through the TIF Reform Platform (see page 6).

You can find most of NCBG's major publications and more information on our organization at

[**www.ncbg.org**](http://www.ncbg.org)

or by contacting us at:

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Using This Almanac . . .

This almanac isn't meant to be read cover-to-cover in a single sitting. Think of it as a desktop resource that you come back to again and again when you have a new question, or a new situation presents itself in your neighborhood. There is basic "nuts and bolts" information about how TIFs work, real-world data about how much money TIFs have created for redevelopment in Chicago and how the money has been spent, "how-to" guides to help you organize locally, background on key City commissions, and material on related economic development alternatives. There is introductory information if you're just getting started, and detailed explanations you won't get from the City if you're already familiar with the TIF program.

Perhaps most importantly, each section of the Almanac is organized as a fact sheet for you to copy and distribute at community meetings or to your neighborhood leaders. Each fact sheet is designed to work by itself, as a "stand-alone" handout, and contains references to other key sections that might help deepen your understanding of the issues.

Never hesitate to call NCBG at 312-939-7198 if you have questions or need help in your local efforts. Good luck!

About the NCBG Community TIF Task Force . . .

Each month for more than three years, NCBG has been bringing together people from all over Chicago to share stories and strategies, ask questions, and come home with new information about the City's TIF Program. NCBG's TIF Community Task Force has brought together people from residential, commercial, and industrial areas of the City in an effort to build a broad-based coalition with the common goals of increasing public participation in the TIF program, encouraging affordable neighborhoods, and bringing direct benefits to existing residents and businesses. The Task Force has taken a three-pronged approach to its work:

- **Accountability:** Open up the TIF process to the people who are directly affected, both in the establishment of TIF districts and the ongoing decisions about how to spend the money over their 23-year lifespans. Develop and implement models for strong community oversight panels in each TIF district. Ensure that residents and businesses get "early warning" about developments in the TIF districts.
- **Affordability:** Ensure that neighborhoods remain affordable to existing residents and businesses, and that development does not displace people from the communities where they have invested their money and time. Encourage the use of TIF to develop more and better affordable housing to meet the needs of Chicago residents.
- **Direct Benefits:** Ensure that everyone benefits from TIF-funded projects, not only big developers. TIF dollars should be used to create good-paying jobs for low- and moderate-income Chicago residents, as well as for effective job training programs. Wherever possible, TIF dollars should be used to make public improvements – such as basic infrastructure, school repairs and construction, and park improvements – or to encourage projects that meet the needs outlined in plans developed by the communities themselves.

The NCBG TIF Task Force meets every fourth Tuesday of the month at 6:00 p.m. at 407 S. Dearborn St. in the 14th Floor conference room. For more information, or to confirm meeting dates and times, please call 312-939-7198.

NCBG'S TIF Bill Of Rights

Preamble

Tax Increment Financing or TIF impacts us as individuals and businesses. It is a tool that the government uses to bring development to parts of our communities where it might not have occurred otherwise. TIF works by redirecting newly generated property tax revenues in designated TIF districts away from general coffers of local taxing bodies and into a TIF fund that is used to subsidize new development. By design it raises property values and changes the makeup of our neighborhood or business district.

A TIF district, once designated, lasts 23 years. The process includes *designation* of a TIF district, a redevelopment *plan* for the TIF district, and redevelopment *agreements* with developers and companies who promise to fulfill some aspect of the plan in exchange for benefits from the TIF fund. Appointed officials who are not directly accountable to the public make too many vital decisions in this process.

To avoid abuses of the powers contained in creating and using TIF districts, we find it necessary to establish that we, the people and businesses living and working in areas targeted for TIF, hold certain rights:

Accountability

- ✍ The people of Chicago have the right to fully participate in creating and implementing community revitalization plans in which TIF may be a tool.
- ✍ The people of Chicago have the right to both full and clear information about what is being planned in our communities and how tax dollars are being spent.
- ✍ The people of Chicago have the right to clear and measurable reporting on public subsidies and resulting benefits on a regular basis.

Affordability

- ✍ The people of Chicago have the right to create local mechanisms to ensure affordability and accessibility for existing community stakeholders.

Direct Benefits

- ✍ The people of Chicago have the right to require significant job creation and retention correlated to public subsidies.
- ✍ The people of Chicago have the right to a variety of local job training options, linked to job placement opportunities.
- ✍ The people of Chicago have the right to determine the infrastructure and public improvements that public subsidies should enhance.
- ✍ The people of Chicago have the right to expect the City to be proactive in front funding neighborhood development when the community has a comprehensive plan.

NCBG'S TIF Reform Platform

Accountability

- ✓ The City of Chicago must commit to informing the public in writing within 14 days of a consultant being hired by the City to prepare a TIF eligibility study. The “public” includes all those persons listed on the interested parties registry and all property owners within the proposed eligibility study area. A public meeting must be conducted no more than 21 days after the completion of the eligibility study. The minutes of that meeting must be included in the final redevelopment plan.
- ✓ Every TIF redevelopment plan must include a section on land use and land acquisition intent. A map of existing land use and proposed land use changes must be included in every redevelopment plan. If the plan for a proposed TIF district does not recommend any land use changes or land acquisition, then the plan must specifically state that intent and include a map that shows no changes to existing land use or property ownership.
- ✓ Citizens need to be informed of the status of each TIF district two times a year. The City of Chicago must commit to holding hearings for every TIF in each planning district two times a year with the developer, consultants, city departments and residents, business owners and local community organizations.
- ✓ The City of Chicago must commit to getting taxpayers a high return on their investment. The City of Chicago must commit to formulating “claw back” provisions within every redevelopment agreement requiring developers and companies to pay the entire public subsidy with interest back if they do not fulfill their contract.
- ✓ The Department of Planning and Development must set up a database that reports the wages, zip codes of new employees, location, and number of all jobs created with TIF funds. All entities receiving TIF assistance must provide the City with this information on a quarterly basis each year or be fined for failing to comply with reporting requirements.

Affordability

- ✓ The City of Chicago must commit to an affordable housing set-aside of no less than 30% of every residential TIF redevelopment agreement, or a developer must set aside 10% of the total cost of the residential development into a low-income housing trust fund.
- ✓ The City of Chicago should define affordable as those housing units that serve those with an area median family income of 50% or below when negotiating residential redevelopment agreements with developers and between 50 and 80% of family median income for non-rental housing.
- ✓ Preference for development by local community development corporations or organizations who serve existing community residents.

Direct Benefits

- ✓ The City of Chicago must commit to extending the living wage ordinance to all TIF projects.
- ✓ The City of Chicago must commit to spending at least 10 percent of TIF funds on job training in very low-income and industrial TIFs. The primary consideration in evaluating the level of public subsidy should be the amount of increased employment opportunities for disadvantaged Chicago residents.
- ✓ The City must commit to issuing a Request for Proposal to release job-training funds from TIF revenues to capable and competent non-profit job training agencies to provide skilled job training and placement in low income and industrial TIFs.
- ✓ The City of Chicago must commit to disclosing the list of proposed public improvements to be paid for with TIF money and invite comment from those on the Interested Party Registry.
- ✓ The City of Chicago must commit to front funding the Neighborhood Investment Program and the Small Business Investment Fund in every low- income and industrial TIF with a minimum investment of \$5 million dollars per TIF. The City must issue a RFP for each TIF so that local non-profits can participate in the administration of the NIP and SBIF.

HOW TIFs WORK

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NEIGHBORHOOD CAPITAL BUDGET GROUP

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What is a TIF District, and how does it work?

How TIFs Work: Key Facts

- TIFs work by capturing all new property tax revenues from a specific area and re-investing them in that area. TIF subsidies can go to private developers or for public improvements.
- Unlike some other programs, most of the City's neighborhood TIFs don't come with cash up-front. Dollars generally aren't available until the TIF begins to generate its own tax revenue from rising property values, or a bond is issued to "front-fund" the TIF.
- The "new" revenues in the TIF arise either through new development or "fair market" increases in the property values (and, therefore, the tax bills) of existing residents and businesses.

What is a TIF?

"TIF" stands for "Tax Increment Financing," a special tool that the City of Chicago can use to generate money for economic development in a specific geographic area. TIF allows the City to re-invest all new property tax dollars in the neighborhood from which they came for a 23-year period. These "new" revenues – also called "increment" – arise if new development takes place in the TIF district, or if the value of existing properties rises, resulting in higher tax bills. These funds can be spent on public works projects or given as subsidies to encourage private development. But TIF also makes it much easier for the City to acquire private property and demolish buildings to make way for new construction.

With consistent community participation, TIF can be a tool for implementing a community-based revitalization plan through encouraging affordable housing development, improving parks and schools, fixing basic infrastructure, putting vacant land to productive use, creating good-paying jobs, and meeting other local needs.

Without strong and sustained public participation, however, TIFs can give the City power to change the basic character of a neighborhood against the wishes of those who live and work there, accelerate the pace of gentrification, and drive up property values to the point that existing residents and businesses can't afford to stay in the community. In short, TIF is a mixed bag, and its success or failure depends on how active the community is in their planning and implementation.

Note: Throughout this Almanac, the term "TIF" is used interchangeably with "TIF District," as well as being used as an acronym for "Tax Increment Financing."

Key Questions About Your TIF District:

- ✓ What are the goals of the TIF district? What are the exact boundaries?
- ✓ Will any private properties be acquired, or residents displaced, as a result of the TIF?
- ✓ How will the TIF benefit *existing* residents and small businesses?
- ✓ Is any money planned for school, park, transit, or infrastructure improvements?
- ✓ How much will be spent on developing and preserving affordable housing?
- ✓ Are there plans to create good jobs for local residents, or to fund job-training and day care programs?
- ✓ Will there be a community oversight panel written into the plan?
- ✓ Have any developers expressed interest in the TIF already? What projects are they proposing?

How Do TIFs Work?

There are three basic steps in understanding how a TIF works:

Creating the TIF and Making a Plan

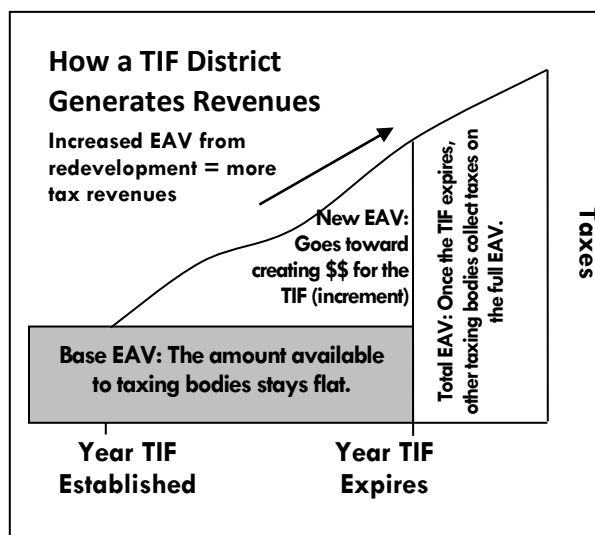
The State law that allows Illinois cities and towns to create TIFs requires that they are only established in areas that are “blighted,” or in danger of becoming blighted (often called a “conservation area” TIF). To determine if an area is eligible, the City hires a consultant to conduct an “**eligibility study**” of the proposed TIF. If the area meets the State standards, then the City (actually a consultant the City hires) conducts a study of the area and writes a “**redevelopment plan**” and a “**project budget**” – an overview of the development priorities for the area and how TIF dollars will be spent during the TIF’s 23-year life. The redevelopment plan must be approved by the City Council, but the TIF district’s project budget may change at any time. A complete explanation of the process for creating a TIF is included later in this fact sheet.

(For more information, see the NCBG fact sheet, “What Areas Are Eligible for TIFs?”, page 23.)

“Freezing” the Tax Base and Collecting “Increment”

TIFs are politically appealing tools because they do not require the City to raise your tax rate. Instead, TIFs generate money for redevelopment by raising the value of the property that is taxed. It works like this:

- When the TIF is established, the County looks at the value of all the property in the TIF. (The County uses the term “EAV,” or “Equalized Assessed Value,” to describe property value.) This is the “Base EAV.”
- Remember, TIFs capture money by devoting all *new* property taxes to redevelopment. That means that once a TIF is established, taxing bodies (the City of Chicago’s general treasury, the Chicago Public Schools, the Chicago Park District, etc.) *get no new revenue from the TIF*. Their share of the property taxes is “frozen” at the level it was at just before the TIF was approved. The taxes on all the new property value in the TIF go into the TIF fund and are reinvested in that area.
- But where does this new property value come from? It can happen in one of three ways. First, there could be new development on vacant land that, before the new project was built, paid little or no taxes. Second, there could be improvements to existing properties, such as an addition to a house, a factory, or a store. Third, the taxes on existing properties could go up, either because of inflation (sometimes called “natural growth” in property values) or because of gentrification in the neighborhood. In any of these cases, the new tax dollars go to the TIF district’s fund, not to the City, the schools, or any other taxing body. **Money can be transferred between TIFs, but only between adjacent TIFs** (see “portability” in the glossary at the end of this fact sheet).



Let’s take an example:

Step	Description	Amount
Base EAV	The total value of all property in the TIF just before the TIF district was established.	\$10,000,000
Year One EAV	The total property value of the TIF one year after it was created.	\$11,000,000
Growth in EAV	The difference between the Base EAV and the current EAV.	\$1,000,000
Tax Rate	The percentage of EAV (property value) that goes to taxes.	10%
Increment	The growth in property value multiplied by the tax rate – i.e., the new taxes that go to the TIF fund.	\$100,000

(For more information, see the NCBG fact sheets, “How Does the Property Tax System Work in Cook County?,” page 13, and “Front-Funding Your TIF,” page 88.)

Spending the Money

TIF dollars can be for infrastructure and other public improvements (including improvements to schools, parks, and other public buildings) or to directly subsidize private residential, commercial, or industrial development. These priorities are laid out in a “redevelopment plan” approved by the City Council that outlines the priorities for the area and an estimated budget. The major limitation on TIF funds is that it cannot be used for the “bricks and mortar” costs of construction (except for affordable housing), or for privately owned equipment. TIF money can be used for:

- **Planning expenses**, such as studies and surveys, legal and consulting fees, accounting, and engineering.
- **Acquiring land and preparing it for redevelopment**, including the costs of environmental cleanup and building demolition. Especially in older areas, making a site ready for a developer reduces costs and eliminates a major barrier to redevelopment. To aid this process, the TIF law gives the City expanded powers to acquire private property through its power of “*eminent domain*.” If the City can show it is acting for a “*public purpose*” – a very loosely defined idea – it can force property owners to sell their land to the City at “*fair market value*.” The City then re-sells the land to a private developer, often at a deep discount, or uses it for a public building.
- **Job training and day care expenses** for companies located within the TIF, or for companies that are planning to locate within the TIF. There are also proposals on the table that advocate establishing job-training centers that would serve the job-training needs of all the companies within a TIF district, regardless of whether or not they have received a direct TIF subsidy. (For more information, see the NCBG fact sheet, “*TIFs and Industry*, p. 51.)
- **Renovation and rehabilitation** of existing buildings.
- **Financing and interest subsidies** for the loans a developer takes out to pay for a project.

(For more information, see the NCBG fact sheets, “*TIFs and Infrastructure*,” p. 68, “*TIFs and Housing*,” p. 33, and “*TIFs and Small Business*,” p. 42.)

Creating a TIF – Understanding the Process Step-By-Step

The following steps outline the process used by the City to create a TIF district. Many of the steps are required by state law, but the City has considerable leeway to implement the program the way it sees fit – particularly when it comes to adding new provisions that *increase* the level of public participation.

1. An alderman, developer, and/or community development organization enters into discussions with the City Dept. of Planning and Development (DPD) about the creation of a TIF district. TIFs used to be more “*developer-driven*,” meaning that the idea for a TIF originated with a private developer interested in a specific piece of land, but now the City more often establishes TIFs that cover entire neighborhoods, commercial areas, or industrial corridors.
2. A consultant is hired, either by the developer or by the City, to conduct an “*eligibility study*” and create a “*redevelopment plan*.” The City must send a public notice that an eligibility study is underway. While the City is not required to have any public meetings in the community at this stage in the process, community groups and NCBG have demanded early notification and community meetings and DPD has responded by holding more neighborhood meetings on proposed TIFs. These meetings are more likely to take place – and receive more widespread publicity – in neighborhoods that are well organized on the TIF issue.
3. ***In cases where 75 or more residential units are in the TIF, or 10 or more occupied residential units will be removed as a result of the TIF:*** At least 21 days before the adoption of an ordinance setting the date for a public hearing (see below), the City must have an additional public hearing on the housing impact of the plan. (For more information on the Housing Impact Study, see the NCBG fact sheet, “*TIFs and Housing*, p. 33.”)

4. The completed eligibility study and redevelopment plan are presented jointly at a meeting of the City of Chicago's Community Development Commission (CDC). The CDC then orders a "public hearing," an announcement of which must be published at least 14 days prior to the hearing in the legal notices section of a local newspaper. Property owners within the proposed TIF must be notified by mail at least 14 days before the hearing. Because of changes in the State TIF law demanded by community groups, individuals and organizations can sign up for **the Interested Parties Registry** and receive notice of the hearing by mail. (*For more information, see the NCBG fact sheet, "The Interested Parties Registry," p 136.*)
5. Fourteen days after the TIF proposal is made to the CDC, the Joint Review Board — which includes all the local taxing bodies affected by the TIF — reviews and votes on the proposal. If the JRB votes to disapprove the proposal, at least 60 percent of the City Council must approve the TIF in order for it to become law. ***The JRB has never voted against a proposed TIF in Chicago.*** (*For more information, see the NCBG fact sheet, "The Joint Review Board," p 148.*)
6. The official public hearing takes place at a regular monthly meeting of the CDC, held during the afternoon at City Hall. At the public hearing, the TIF proposal is presented and public comments are allowed. State law does not require the City to respond to those comments or act on public input regarding TIF districts, only that a public hearing take place.
7. The CDC meets after the public hearing (often at the same meeting, immediately following the hearing), and approves the TIF district proposal. The CDC almost never votes down a TIF proposal.
8. The proposal goes to the Chicago Plan Commission if it involves zoning and land use changes. The Plan Commission accepts public comments on the land use aspects of the TIF, though this "public hearing" closely resembles the one held by the CDC. The proposal may go to the Plan Commission before or after the CDC meeting.
9. After the public hearing at the CDC, the TIF proposal goes to the City Council for designation. The Finance Committee has a brief hearing on the proposal, at which public comment is accepted, then it goes to the full Council for approval.
10. Each time a private developer wishes to negotiate a specific subsidy — known as a "**redevelopment agreement**" — that proposal must be approved by the CDC and the City Council (including the Council's Finance Committee). The redevelopment agreement goes through most of the same steps as the initial TIF proposal, including the opportunity for members of the community to make public comments on the proposal.

Glossary of Important TIF Terms

Acquisition Map: A map of parcels of property in a TIF district that may be acquired by the City through its power of eminent domain in order to further the goals of the TIF. In a TIF district, the City may only acquire land that has been previously listed on an “acquisition map.” The Community Development Commission must approve the creation of the acquisition map, and any changes to that map. The CDC must also approve and take public comment each time the City moves forward with land acquisition. (See the NCBG fact sheet, “Land Acquisition and Eminent Domain,” p 26.)

Annual TIF Reports: No later than July 1 of each year, the Dept. of Planning and Development must publish a report on the performance of each TIF district that had been approved as of December 31 of the previous year. While these reports do not include some of the key information that the public needs to know, there is some valuable data in their pages. The reports contain information on redevelopment agreements, private contracts, bond issues, and the growth in property value and tax revenue, among other things. NCBG has the complete set, or you can call DPD for a copy at 312-744-4471.

“Blighted Area” and “Conservation Area” TIFs: State law requires that TIFs may only be established in areas that are considered “blighted” or in danger of becoming blighted. This second type of TIF is known as a “conservation area TIF.” To determine whether a neighborhood is blighted, a consultant hired by the Dept. of Planning and Development looks at factors such as the amount of vacant land, the building conditions in the area, and the amount of new investment in the neighborhood. (See the NCBG fact sheet, “What Areas Are Eligible for TIFs?”, p 23.)

Bond Issue: A bond issue is a way to provide “up-front” money for a TIF district. The City in essence borrows money by selling “IOU” notes to private investors, who later get their money back with interest. The City uses the new property taxes generated in the TIF (the “increment”) to pay back this loan. (See the NCBG fact sheet, “Front Funding Your TIF,” p. 88.)

Eminent Domain: The power of the City to acquire private land without the consent of the owner. The City is required, however, to pay the land owner the fair market value of the property and abide by other restrictions. (See the NCBG fact sheet, “Land Acquisition and Eminent Domain,” p 26.)

Equalized Assessed Value (EAV): The Cook County Assessor’s term for the value of a particular piece of property. The “initial” or “base” EAV is the value of the property at the time the TIF district was created. (See the NCBG fact sheet, “How Does the Property Tax System Work in Cook County?”, p. 13.)

Increment: The growth in property tax revenue that has occurred since the TIF was put in place. The increment is the amount of money available for investment in the TIF district. (See “How Does the Property Tax System Work?” p. 13.)

“Pay-as-you-go” TIF: The “opposite” of a bond issue TIF. Rather than funding the TIF up front by borrowing money, a pay-as-you-go TIF waits for new tax money (the increment) to come in, then spends that money on redevelopment projects. (See the NCBG fact sheet, “Front Funding Your TIF,” p. 88.)

“Portability”: The technical term for the City’s power to transfer funds between TIFs. TIF funds can only be transferred between TIFs that are directly next to each other (or “contiguous”). The City cannot take funds from the Central Loop TIF, for example, and transfer them to a neighborhood TIF, nor can it take funds from your TIF and use them downtown. The maximum amount of funds that can be transferred is limited by the size of the budget of the TIF receiving the dollars.

Redevelopment Agreement: The specific contract signed between the City and a private developer spelling out the details of a specific project, the public subsidy for that project, and sometimes the public benefit (such as jobs created) that the City is supposed to get in return for the subsidy.

Redevelopment Plan: The redevelopment plan is a general roadmap for development over the 23-year life of the TIF, including: (1) redevelopment goals, (2) recommended land uses, and (3) a budget of estimated project costs. When we say a TIF district has been created, we mean that the redevelopment plan has been approved by the City Council.

TIF: Refers directly to “Tax Increment Financing,” but is often used to denote the area in which tax increment financing is available – a TIF District.



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How does the property tax system work in Cook County?

Property Taxes: Key Facts

- The first step in calculating your tax bill is determining what your property would be worth on the market (called the "assessment").
- The tax rate you are charged is determined by the total value of the City's property and how much each taxing body needs to raise in taxes.
- Various incentives and tax exemptions exist to ease the burden on some taxpayers or encourage certain types of development.

Why Discuss the Property Tax System in a TIF Almanac?

TIFs generate money through creating more property tax revenue, so to really understand how TIFs work it's helpful to understand something about the property tax system. Understanding more about property taxes also helps in understanding how TIFs do and do not affect your personal property tax bill. Reading the following information should help you next time a City official insists that TIFs don't increase taxes even when you're holding a tax bill that says something very different.

Step One: The Assessment Process

The assessment process is where the County determines how much your property is worth. Each year, one-third of the County is reassessed – known as the "triennial reassessment" – alternating among the City of Chicago, the Northwest suburbs, and the Southwest Suburbs. During the other two years, the assessed value of your home or business will stay the same unless you make improvements to your property. There are two major stages in the assessment process:

- **Determining the Market Value of Your Property:** The Cook County Assessor's office estimates the market value of your property by analyzing the sale price of other, similar properties in your neighborhood. The goal of this stage of the assessment process is to ensure that properties with similar characteristics in the same neighborhood are assessed at the same level.
- **Determining the Assessed Value of Your Property:** Property owners do not pay taxes on the full market value of their property. Instead, they pay taxes on a percentage of that value (called the assessment rate). This rate varies based on the type of property – single family homes, for example, pay taxes on just 16 percent of their market value, while commercial properties pay taxes on 38 percent of their market value. By varying the assessment rate among property classes, the County determines how the tax burden is distributed among various taxpayers. *Note: This does not mean that you pay 16 to 38 percent of the market value of your property in taxes.* Your final tax bill will include a tax rate (see below) that usually ranges from 8 to 10 percent of your property value.

Class	Type of Property	Assessment Rate
1	Vacant	22%
2	Single Family Residential	16%
3	Multi-Family Residential	33%
4	Non-Profit	30%

5a	Commercial	38%
5b	Industrial	36%

The last step of this process is to multiply the assessed value of the property by the “equalizer” – a number calculated by the State and applied to each County. The equalizer is intended to ensure that the assessed value of all the property in the county is equal to 33¹/₃ percent of the total market value of the property, as required by State law. For 1999, the Cook County equalization factor was 2.2505. ***This final calculation results in the “Equalized Assessed Value” of your property – or “EAV” – which is for all practical purposes the value of your property in the eyes of the County.***

Step Two: Tax Exemptions

Homeowners and senior citizens may be eligible for certain tax exemptions or other special programs that reduce their overall tax bill, or at least make it easier to pay their taxes. These exemptions are not automatic – taxpayers must apply for them, in some cases every year.

Program	Eligibility	Description
Homeowner Exemption	Owners of single-family homes, townhomes, condominiums, co-ops, or apartment buildings with up to six units. Must have owned property since at least January 1 of the previous year.	Eliminates up to \$4,500 of the increase in property value since 1977. Allows the property owner to save up to \$450 on his or her tax bill. For more information, call the Assessor’s office at 312-443-7500
Senior Citizen Exemption	Individuals over the age of 65 who own their property or have a lease that makes them liable for property taxes. Property must be the primary residence.	Reduces the EAV of the property by up to \$2,500, which would reduce the tax bill by up to \$250. Together with the homeowner exemption, seniors can save up to \$700 on their tax bill. For more information, call the Assessor’s office at 312-443-6151
Senior Citizen Assessment Freeze Exemption	In addition to the criteria for the Senior Citizen exemption, individuals must have a household income of no more than \$40,000.	Freezes EAV at the previous year’s level. For details, call the Assessor at 312-603-6600
Home Improvement Exemption	Owners of single-family homes, townhomes, condominiums, co-ops, or apartment buildings with up to six units. Must have owned property since at least January 1 of the previous year.	Allows you to increase the value of your home by up to \$45,000 without increasing the assessed value of your home for four years. For a \$45,000 improvement, the homeowner would save about \$1,440 per year.
Senior Citizen Real Estate Tax Deferral Program	Property owners at least 65 years of age with an annual household income no greater than \$25,000. The property must be the applicants primary residence for at least three years.	Senior citizens may defer part or all of their property taxes until the property is sold, at which point they must repay the amount of deferred taxes plus 6 percent interest. The program is administered through the Cook County Treasurer’s office. For information, call the Treasurer at 312-443-5100.
Circuit Breaker Program	The program is available to individuals 65 or over, or disabled individuals at least 16 years old, who pay property or mobile home taxes. Income maximums range from \$21,218 for a single person to \$35,740 if filing for yourself, your spouse, and one other individual.	Qualified taxpayers can receive direct grants of up to \$700 to offset the cost of property taxes. For more information, call the Circuit Breaker Section of the Illinois Dept. of Revenue at 1-800-624-2459.
Chicago Homeowner Assistance Program (CHAP)	Residents must have lived in the property for at least five years, have a household income no more than 80 percent of the area median and, have experienced an increase in their property’s assessment level that is at least twice the City’s average increase.	This is not really a tax exemption, but a tax <i>deferral</i> . Designed for areas that are experiencing large increases in property taxes, the CHAP program allows residents to defer paying a portion of the increase in their property taxes until they sell their property. When they sell their property (or any time before), they repay the amount of the deferred taxes plus 3 percent interest per year. For information, call the City of Chicago’s CHAP hotline 312-745-CHAP(2427).

For more information on property tax exemptions, visit the Cook County Assessor’s web site – www.assessor.co.cook.il.us/exemption.html – or call the Assessor’s office at 312-603-2300.

Step Three: Appealing Your Assessment

In some cases, taxpayers may think the assessment on their property was too high. In those instances, the taxpayer may file an appeal with the Taxpayers Services Department of the Assessor's office. The object of the appeal is to prove that other similar properties in your neighborhood were assessed at a lower level than your property. You can find data on other homes in your area either through the newspaper (the date and publication in which the information was printed is included in your reassessment notice), or directly from the Assessor's office. Information about the assessed values of other properties is also available on a searchable on-line database at <http://www.assessor.co.cook.il.us/startsearch.html>.

If you aren't satisfied with the results of your appeal with the Assessor's office, you may contact the Taxpayer Advocate's office at 312-603-7530 for a more detailed review of your case. The next option available to the taxpayer is to contact the Cook County Board of Review – an elected body of three commissioners whose job it is to review property tax assessments. The Board of Review can be reached at 312-603-5542. If the Board of Review does not rule in your favor, you may file a petition directly with the Illinois Property Tax Appeal Board, a State agency that handles the next step of the process. Appeal forms and more information may be found at <http://www.state.il.us/agency/ptab/>, or by calling the board at (847)294-4360. In extreme cases, taxpayers may file complaints with the State Appellate Court and then, in the most serious cases, with the Illinois Supreme Court.

Step Four: Tax Rates

Once the assessment levels have been set, it's time for the final step in the process: calculating the property tax rate for each taxing body. If you look at a tax bill, you will see several different governmental bodies that get a piece of your property taxes, including: the City of Chicago, the Chicago Public Schools, the Chicago Park District, and the Metropolitan Water Reclamation District, just to name a few (see chart below for complete list). Each of those bodies goes through the following process:

1. **Determine How Much Money It Needs To Operate:** This is the result of the agency's budget process. At the end of that process – once State, Federal, and other revenues have been taken into account – the agency will know how much it must raise through property taxes. This amount is known as the **tax levy**.
2. **Look at the EAV for the Area:** Once the appeals process is complete and the County Assessor surrenders all the assessed values to the County Clerk, the Clerk's office makes available the final, certified EAV for each taxing district. The EAV is the "base" from which the agency can draw taxes.
3. **Calculate the Tax Rate:** The tax rate is the last thing to be determined. It depends entirely on the size of the levy requested by the agency and the size of the tax base for the area. The tax rate is determined by County Clerk's office using the following formula:

$$\frac{\text{Tax Levy (Budget)}}{\text{EAV (Property Value)}} = \text{Tax Rate}$$

For Example: Let's say the Tiffville Public Schools needed to raise \$5million (the levy) in property taxes to balance its budget. The County Clerk would figure the tax rate of the school district by the following:

$$\frac{\$15 \text{ million}}{\$100 \text{ million}} = 5.000 \text{ or } 5\% \text{ (the Tax Rate)}$$

The County Clerk then notifies the school superintendent of the EAV and tax rate for the school district.

In Chicago, for the 1999 tax year, the total tax rate was 8.536 percent, broken up as follows:

Taxing Body	Rate	Taxing Body	Rate
Chicago Board of Education	4.104	Chicago Community Colleges	0.347
City of Chicago	1.673	School Finance Authority	0.255
Cook County	0.854	Chicago Library Fund	0.187
Chicago Park District	0.627	Forest Preserve District of Cook County	0.070
Metropolitan Water Reclamation District	0.419	Total	8.536

Calculating Your Tax Bill: A Review

Here, from beginning to end, is an example of how a tax bill is calculated for a \$100,000 home.

Step	Explanation	Value
Market Value	This is the total value of your property, based on the value of other, similar homes in your neighborhood.	\$100,000
Assessment Level	The percentage of your home's market value on which you pay taxes. For single-family homes, the assessment level is 16 percent.	16%
Assessed Value (AV)	The unadjusted dollar value of your home's market value on which you pay taxes. Equal to the Market Value multiplied by the Assessment Level.	\$16,000
Equalization Factor	A number calculated by the State and applied to each County. The equalizer is intended to ensure that the assessed value of all the property in the county is equal to 33 ¹ / ₃ percent of the total market value of the property, as required by State law.	2.2505
Equalized Assessed Value (EAV)	The Assessed Value multiplied by the Equalization Factor. This is the taxable value of your property before you take any exemptions for which you are eligible.	\$36,008
Homeowners Exemption	The standard amount by which most homeowners can reduce the Equalized Assessed Value of their property before the final tax bill is calculated. Some homeowners, particularly senior citizens, may be eligible for additional exemptions (see "Step Two," above).	- \$4,500
Adjusted Equalized Assessed Value	The EAV of your property minus any exemptions for which you are eligible. This is the final taxable value of your property.	\$31,508
Tax Rate	This is the combined tax rate of all the public agencies that are eligible to receive a portion of your property taxes (see "Step Four," above).	8.536%
Your Tax Bill	Your tax bill is the Adjusted EAV multiplied by the Tax Rate.	\$2,689.52

How Do TIFs Affect Your Property Taxes?

There is an ongoing and often heated debate about the effect that TIFs have on the tax bills of residents and businesses inside the district. To sort out the misunderstandings, it is necessary to distinguish between two different concepts: **tax rates** and **property values**:

- **It is true that TIFs do not *directly* affect the *tax rate* you pay.** The tax rate is determined by the public agencies (the City, the Chicago Public Schools, the Chicago Park District, etc.) based on how much money they have to raise through property taxes (see "Step Four," above). The tax rate is the same across the City, regardless of whether your property is located in a TIF district.
- **TIFs may, however, increase the value of your property, which would lead to a higher tax bill.** TIFs work by raising property values in the district, which leads to more tax revenue that can be used to pay for redevelopment activities. Property values can rise in one of three ways: either new buildings can be built on vacant land, improvements can be made to existing buildings, or existing buildings without improvements can be assessed at a higher level. This third category – what is often referred to as "gentrification" – is the result of a neighborhood becoming a "hot" real estate market. Improvements to the area (either new, upscale residential development or high-end commercial development) make the area more "desirable" to potential homebuyers, and therefore drive up prices. This increases the market value of similar properties, and therefore drives up the assessed value of properties in your area. To the extent that TIFs are responsible for that high-end development, they can have a negative impact on your property tax bill.
- **TIFs may also have a long term impact on tax rates.** Keep in mind that TIFs freeze the amount of new taxes that go to existing taxing bodies (the City's general operating fund, the Chicago Public Schools, etc.) for 23 years. Well over 10 percent of the City's tax base is already tied up in TIFs, meaning that all the new growth in those areas does not help to fund basic City services. If the tax base "flattens out" while the costs of government services escalate, that means that tax rates will have to go up to keep pace. The possibility of this taking place is a cause for concern about the overuse of TIFs in the long run.

Tax Incentives As A Tool For Redevelopment

In general, tax incentives work by reducing the percentage at which a property is assessed. In other words, the property owner pays taxes on a smaller portion of the market value of the property, resulting in a lower overall tax bill. The following chart lists current property tax incentives available in Cook County:

Name	Description	Type of Area	Contact
Class 6(b) Property Tax Incentive	Incentive for new or rehabilitated manufacturing. Reduces assessment rate from 36 percent to 16 percent for eight years, then gradually increases the rate to 36 percent (23 percent in Year 9 and 30 percent in Year 10).	Industrial	Cook County Assessor 312-603-2300 DPD Finance Division 312-744-CITY
Class 7(a)/7(b) Property Tax Incentive	New or rehabilitated commercial property in blighted areas, intended for projects that would not go forward without the incentive. Reduces assessment rate from 38 percent to 16 percent for 8 years, then raises in to 23 percent in Year 9, 30 percent in Year 10, and the full assessment thereafter.	Commercial	Cook County Assessor 312-603-2300 DPD Finance Division 312-744-CITY
Class 8 Property Tax Incentive	New or rehabilitated commercial property in blighted areas, intended for projects that would not go forward without the incentive. Reduces assessment rate from 38 percent to 16 percent for 10 years, then raises it to 23 percent in Year 11, 30 percent in Year 12, then the full assessment rate thereafter.	Commercial, Industrial	Cook County Assessor 312-603-2300 DPD Finance Division 312-744-CITY
Class 9 Property Tax Incentive	Multifamily residential development in areas where at least 51 percent of residents earn low to moderate incomes. At least half the units must have rent below 80 percent of HUD's fair market rent. Reduces assessment level from 33 percent to 16 percent for 10 years, and can be extended for two more 10-year periods.	Residential	Cook County Assessor 312-603-2300 DPD Finance Division 312-744-CITY
Landmark Program	Incentive for rehabilitation of commercial and industrial landmarks for cases where project would not proceed without the incentive. Assessment levels are same as for Class 7(a) and (b), though the length of the incentive was recently extended from 10 to 12 years (see below). Other tax benefits (income tax credits for commercial properties, assessment freeze for residential rehabilitation, technical assistance) may be available through the City.	Mixed-Use, Commercial, Industrial	DPD Landmarks Division 312-744-CITY

Reforming the Cook County Property Tax System

Altering how we use tax incentives can be a powerful way to shape the future growth and development of the City and make the tax system more fair. The current tax incentives help to accomplish some of these important goals – developing affordable housing, creating jobs through industrial and commercial development in certain areas of the City, preserving historic buildings – but there is a lot more that can be done. Cook County Assessor James Houlihan has, for several years, been putting together a package of property tax reforms that seek to reform the tax system to help “mom-and-pop” retailers, provide more incentives for the development of rental housing, and encourage job-producing industrial development.

The key aspects of the Assessor's "Year 2000 Plan" are:

Reform	Explanation	Status
Make the Class L Landmark Incentive easier to use.	Changes to the administration of this incentive (see above) made filing dates more flexible, made the incentive renewable, and extends the term of the incentive from 10 to 12 years.	Passed
Lower the assessment rate on mixed-used properties with first-floor storefronts and second-floor apartments	These sorts of multi-use buildings typically provide opportunities for both "mom and pop" retailers and affordable housing. By assessing them at the lower residential rate (16 percent) rather than the higher commercial rate (38 percent) this incentive can help preserve the traditional character of many Chicago neighborhoods.	Passed
South Suburban Tax Reactivation Program	In an effort to reduce high tax rates, reverse the overall decline in property values, and reduce the amount of vacant land in certain South Suburban townships, the Assessor's Office initiated a pilot program to acquire vacant, tax-delinquent properties and turn them into marketable development sites that are automatically eligible for the Class 8 tax incentive (see above).	Passed
Lower the assessment level on industrial property from 36 percent to 33 percent.	Encourage new industrial development and expansion by reducing the tax burden on industrial properties.	Pending
Lower the assessment rate on multi-family housing from 33 percent to 30 percent in 2001 and 26 percent in 2002.	Multi-family rental properties are taxed at a much higher rate than single-family homes, making the development of new rental units (an important component of affordable housing) very unappealing for many private sector interests. <i>By reducing the assessment level on rental properties, the Assessor hopes to encourage more rental development.</i>	Pending

The Year 2000 Plan is only a first step in the process of reforming the property tax system. Ultimately, the reform process will require action by the Illinois General Assembly to accomplish big-picture goals such as making the State's school funding system more equitable and making Cook County better able to compete with the suburban collar counties. Supporting the shorter-term reforms at the County level is important for building momentum for the longer-term reforms and a Statewide effort to make our tax system more equitable.

For more information about the Year 2000 Plan, contact the Cook County Assessor's Office at 312-603-2300. To voice your support for these reforms, contact:

John Stroger
President, Cook County Board
118 N. Clark St., Room 567, Chicago, IL 60602
312-603-6393 or jstroger@cookcountygov.com

And

Your Cook County Commissioner

Contact numbers for County Commissioners can be found at <http://www.co.cook.il.us/commissioners.htm>.



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What changes
were made by the
State TIF reform
law?

The State TIF Reform Law: Key Facts

- Adopted in August 1999, the TIF reform law updates the Illinois statute first passed in 1977.
- The new law affects several areas: accountability and public participation; affordable housing; new uses for and limitations on how TIF dollars are spent; how TIFs affect schools; and what areas are eligible for TIFs.

Gov. George Ryan signed Illinois' TIF reform legislation on August 11, 1999, bringing an end to years of hard work by groups around the State that were interested in making the TIF program more fair and accountable. The legislation – S.B. 1032, sponsored by Sen. Christine Radogno, and H.B. 306, sponsored by Rep. David Leitch – was the product of effective advocacy by many organizations, especially the Statewide Housing Action Coalition, the South Cooperative Organization for Public Education (SCOPE) and the Leadership Council for Metropolitan Open Communities. The new law makes important improvements to the TIF program in areas such as public participation and affordable housing, and limits abuses in the establishment of TIFs and use of TIF funds. Still, there remains room to improve the State law in a future session of the General Assembly. *For information on possible future legislative reforms, see the NCBG fact sheet, "State Legislative and Local Policy Reform". Page 127.*

The 1999 legislation contains about 75 different reform provisions – some major, some minor. The following list summarizes the most important changes affecting Chicago:

Accountability and Public Participation Reforms

Overview: *Individuals affected by a proposed or passed TIF are given more information about activities earlier in the process, though the legislation stops short of establishing a true community-centered planning process for TIF establishment or implementation.*

Interested Parties Registry:

- Establishes a mailing list for residents, businesses, and organizations within the TIF district that informs them of key developments within the TIF.

(For more information, see the NCBG fact sheet, "The Interested Parties Registry," p. 136.)

Clarifies When A Full Public Process is Needed:

The full public hearing and Joint Review Board process (which in Chicago requires approval by the Community Development Commission, the City Council Finance Committee, the full City Council, and in some cases the Chicago Plan Commission) is now required if:

- Additional parcels of land are added to the TIF.
- There is a substantial change in land use in the TIF.

- The types of development planned for the TIF changes significantly.
- The total project budget increases by more than 5 percent (after inflation is taken into account).
- Additional line items are added to the project budget.
- The number of low income households to be displaced in the TIF increases.

Earlier Warning of a Proposed TIF:

- Municipalities now must pass an ordinance or resolution authorizing the start of the eligibility study. This must be made public and contain the proposed boundaries of the TIF, a general description of the TIF and its purposes, and who to contact for more information.

Expanded Joint Review Board:

- Requires annual meetings of the Joint Review Board, which includes representatives of each taxing district affected by the TIF.
- Previously, the JRB was only supposed to review whether an area was eligible to become a TIF. Now, the board's role is expanded to include a review of how well the TIF redevelopment plan meets the objectives of the State law.
- If the JRB votes to disapprove the TIF, at least 60 percent of the City Council must vote to approve the TIF in order for it to pass. (Chicago's JRB has never voted against a TIF.)
- In TIFs that qualify for the Housing Impact Study (see below), the public member of the JRB must be a resident of the TIF district in question. If the majority of the residents in the TIF are low-income, then the JRB representative must also be low-income.

(For more information, see the NCBG fact sheet, "The Joint Review Board," p. 148.)

Annual Public Reporting:

- Each municipality must now submit annual reports to the State Comptroller's office detailing such information as expenditures from each TIF fund, public and private investment for TIF-funded projects, and the activities of the Joint Review Board.

Housing Reforms

Overview: *In TIFs where a substantial number of residents are affected, the municipality must conduct a "housing impact study" and provide resources to relocate residents. For new affordable housing construction, developers are able to use more TIF money and have more flexibility over how those funds are spent.*

Housing Impact Study:

The City must conduct a housing impact study if:

- At least 75 occupied residential units are located within the TIF; or
- The TIF plans to remove 10 or more occupied residential units.

This study must contain information about:

- The physical characteristics of residential properties that will be affected.
- Whether those properties are occupied.
- The racial and ethnic breakdown of the inhabitants of those properties (as of the last census).

If residents will be displaced because of the TIF, the City must:

- Provide money to help the occupants relocate to a new home.
- Identify available, affordable replacement housing for the people who were displaced.

Additional Public Meeting in TIFs Where Residents Are Affected:

- In TIFs that are eligible for the Housing Impact Study, the municipality must have an additional public hearing about affect of the proposed redevelopment plan on residents. This meeting must be held at least 21 days before the adoption of the ordinance that sets the time and place of the final public hearing on the TIF.

Expanded Ability To Use TIF Funds for Affordable Housing Development:

- With other TIF-funded developments, TIF dollars were not allowed to be used to pay for the “bricks and mortar” cost of new construction. The new law makes an exception for affordable housing projects, allowing up to 50 percent of the bricks and mortar costs to be paid for with TIF funds. In addition, up to 75 percent of the interest costs of financing affordable housing development may be paid for with TIF dollars. Previously, only 30 percent of those costs could be paid for with TIF funds.

(For more information, see the NCBG fact sheet, “TIFs and Housing,” p. 33.)

New Uses of TIF Funds:

Overview: *TIF dollars may now be used to pay for day care and “welfare-to-work” programs.*

Day Care:

- TIF funds may now be used for the costs of day care services for low-income individuals employed by companies within the TIF, including the cost of operating day care centers.

Welfare to Work:

- In addition to the costs of job training already permitted by the TIF law, the cost of “welfare-to-work” programs of businesses located within the TIF are now also eligible.

Limitations on the Use of TIF Funds

Overview: *Municipalities have less opportunity to spend TIF dollars in ways that have been deemed to be abusive in the past, such as constructing golf courses, town halls or convention centers; reimbursing themselves for excessive administrative costs; or stealing businesses from other nearby towns.*

Prohibits the Use of TIF Funds for “Retail Raiding”:

- TIF funds cannot be used to pay for a new retail project that is relocating into a TIF district while closing a similar facility in another town within 10 miles of the TIF, except in cases where the relocation is “beyond the control” of the company. This provision is intended to prevent the use of TIF funds to “pirate” or steal stores from other municipalities.

Limits the Use of TIF Funds for New Municipal Buildings:

- TIF funds may no longer be used to construct new municipal facilities such as office space, storage, or conference facilities, unless the new facility replaces an existing public building that is slated to be demolished. In cases where a building is included in a redevelopment plan that passed prior to the adoption of the TIF law, these new limitations do not apply.

Prohibits the Use of TIF Funds to Build Golf Courses:

- TIF funds may no longer be used to build golf courses on vacant land.

Limitation on Municipalities’ Ability To Pay Themselves For Administrative Costs:

- Under the new law, municipalities are still able to reimburse themselves for legitimate costs of administering a TIF (such as consultants, attorneys, staff time, studies, etc.), but cannot bill other costs (such as police service or generation operation and administrative costs that would have occurred even if the TIF was not in place) to the TIF fund.

Schools

Overview: *The new law reimburses school districts for the costs associated with an influx of students caused by new TIF-funded residential development, and makes it somewhat easier for municipalities to spend TIF dollars on capital improvements to schools and other public facilities.*

School Districts May Be Compensated For New Housing Developed Within Their Boundaries:

In cases where a TIF funds new residential housing, the municipality is obligated to reimburse the school district for some of the increased costs the district must assume. In other words, the TIF has to help pay for the enrollment increase it creates.

The formula for this reimbursement is:

$$(\text{\# of new pupils living in development}) \times (\text{district's per-capita tuition cost}) - (\text{additional State Aid})$$

These payments are capped at between 17 and 40 percent of the value of the increment generated by the project, depending on the type of district, the amount of state aid, and the per-capita tuition cost of the district.

In Chicago, there are additional restrictions:

1. No increased costs will be reimbursed unless the district shows that each of the schools affected by the TIF-subsidized housing projects is at or over its student capacity.
2. The amount reimbursed must be reduced by (1) the value of any property donated to the school district by either the developer or (2) the value of any improvements made to the school by the municipality.

Allows Municipalities To Spend TIF Dollars on Publicly Owned Properties Just Outside A TIF:

- If a school, park, or other eligible public facility is directly adjacent to the TIF (or separated from the TIF only by a public street), then TIF dollars can be spent for improvements to those facilities.

(For more information, see the NCBG fact sheet, "TIFs and Schools," p. 73.)

Eligibility

Overview: *The new law makes some clarifications to the eligibility standards for TIF districts. Outside of Chicago, there is a more significant change that limits the ability to create a TIF on vacant farm land.*

- Adds a new factor for conservation area TIFs that specifies that the area may be eligible if the Equalized Assessed Value (EAV) for the TIF has either (a) declined; or (b) ***grown at a slower rate than the rest of the municipality***; or (c) growing more slowly than the rate of inflation for at least three of the last five years.
- Requires that the eligibility factors be present "to a meaningful extent" and are "reasonably distributed" throughout the TIF.
- Removes "age" and "depreciation of physical maintenance" from the list of factors that make an area eligible for a TIF, and combines "excessive land coverage" with "overcrowding of structures and community facilities" into one item.

(For more information, see the NCBG fact sheet, "What Areas Are Eligible for TIF?", p. 23.)



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What types of areas are eligible to become a TIF?

TIF Eligibility: Key Facts

- The City can make an area a TIF if it is either “blighted” or in danger of becoming blighted (a “conservation area”).
- There are 13 factors defined in the State TIF law that are used to determine blight.
- If an area meets five of these factors, it qualifies as a “blighted area” TIF. If it meets three of the criteria, it may be eligible as a “conservation area” TIF.

The first step in establishing a TIF district is determining whether it is eligible under the guidelines set forth by State law. In general, the State law allows a municipality to create a TIF if the area is either **blighted** or **in danger of becoming blighted**. This second type of TIF is often referred to as a “conservation TIF.”

How Does the City Determine If An Area Is Blighted?

To determine whether a suggested TIF area complies with the State law, the City generally hires a private consultant to perform a survey of the area. The consultant does a visual survey of the neighborhood to determine the condition of buildings and the amount of vacant land, researches the number of building permits that have been issued for the neighborhood in recent years, and checks to see whether the value of properties within the TIF has grown or shrunk. There is rarely any public participation in the process.

What If There's Already Development Taking Place Without the TIF?

The idea behind TIFs is that little or no new development or growth would take place in the area without the use of the TIF. This is sometimes called the “but for” test – no growth would happen *but for* the TIF. ***If it was strongly enforced, this could be a powerful tool for limiting the use of TIF to only those areas that truly needed a tool such as TIF.*** Unfortunately, the State law does not provide us with a good set of rules for determining whether or not development would take place without the TIF. This has opened the door to widespread abuse of TIFs in some areas. Still, in neighborhoods where an unwanted TIF is on the drawing board, it can be helpful to cite evidence of development that is already taking place without the aid of public subsidies, or show how property taxes in the area are already on the rise.

The 13 Factors for Determining “Blight”

The consultant evaluates the proposed redevelopment area based on 13 factors defined in the State law. If the area meets at least five of these criteria, it is considered **blighted**. If half the buildings in the area are more than 35 years old, and the TIF meets at least three of the State eligibility factors, then it is

considered to be a **conservation area**. The factors must be present “to a meaningful extent” and must be “reasonably distributed throughout the area” in order to qualify.

Deterioration:

Substantial repairs must be made to building features such as windows, doors, gutters, porches, and the exterior façade. ***This also applies to streets, alleys, sidewalks, and parking lots.***

Inadequate Utilities:

Buildings lack adequate sewers, water mains, gas, telephone, or electrical services.

Obsolescence:

Buildings can no longer be used for their original use (such as a factory that can no longer accommodate modern technologies).

Dilapidated Buildings:

Major structural repairs must be made to the buildings in the area, or they need to be torn down.

Building Code Violations:

Buildings do not meet safety and fire codes, or don’t comply with zoning laws.

Illegal Use of Structures:

Buildings are used for illegal purposes (this does **not** include zoning violations).

Vacant Buildings:

An excessive number of buildings are vacant or “underutilized.”

Lack of Ventilation, Light, or Sanitary Facilities:

Buildings lack windows or air circulation, garbage storage is inadequate, or buildings lack hot water or bathrooms.

Overcrowding of Structures:

One or more buildings are crowded onto a piece of land that is too small in size. This includes buildings that don’t have adequate off-street parking or have inadequate loading docks.

Undesirable Land Use:

The types of activities on the land are not compatible with each other (such as heavy industrial next to residential uses).

Environmental Clean-Up:

Sites within the TIF require the clean-up of hazardous waste or the removal of underground storage tanks.

Lack of Community Planning:

The area has been adversely affected by development that took place without the benefit of a community plan, or contrary to an existing community plan.

Stagnant or Shrinking Property Values:

Property values (“equalized assessed value”) has declined for three of the last five calendar years, or property values in the proposed TIF area has grown slower than the rest of the municipality in three of the last five calendar years, or property values have grown slower than the Consumer Price Index (the inflation rate) for three of the last five calendar years.

How Do Consultants Determine if Vacant Land is Blighted?

The State Law specifies a slightly different set of eligibility factors if the entire proposed TIF area is vacant. An area is eligible to become a TIF if it meets at least two of the following criteria:

Presence of Parcels That Are Awkward To Develop

In some cases, parcels available for development are too small, too large, or too awkwardly shaped to attract a buyer, or parcels do not have adequate alleys or streets to provide access to the properties. This problem has been faced in redeveloping the Stockyards area and Cabrini Green.

Diversity of Ownership:

In many cases, several parties own small sections of a large piece of vacant land. This often makes it difficult for a developer to acquire enough land to construct a larger project, and stands in the way of potential development.

Deterioration of Structures Adjacent to the Vacant Land:

The law specifies that blighted areas surrounding a piece of vacant land contribute to the lack of development on the unoccupied parcel.

Environmental Cleanup:

Same as above.

Stagnant or Shrinking Property Values:

Same as above.

Special Factors:

In some special cases, only one factor is necessary to qualify a piece of vacant land as blighted, such as: abandoned railroad yards, unused quarries or mines, chronic flooding, or illegal dumping.

Why Are There So Many TIFs In Areas That Aren't Really Blighted?

The fact is that State law does not establish very specific rules for which areas can be considered eligible for a TIF. The law only says that the above factors must be “present to a reasonable extent,” but does not define what that means. This back-room process leaves plenty of room for consultants and the City to manipulate the boundaries of a TIF to make sure it qualifies even if the area would never meet a common sense definition of “blight.” The end result is that many neighborhoods have become TIFs that otherwise would never have qualified.



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Why can the City
acquire private
property in a TIF?

Land Acquisition & Eminent Domain: Key Facts

- “Eminent Domain” is the City’s power to force property owners to sell their land to make way for a “public purpose.”
- Governments have previously been able to use eminent domain to build clearly public projects such as highways or schools, but the TIF law gives them more leeway to acquire land for private development

What is “Eminent Domain”?

“Eminent Domain” is the power of a government to force private property owners to sell their land for a “public purpose.” Eminent domain exists outside of TIF districts as well, but the TIF law gives cities such as Chicago more leeway to acquire land. In short, the TIF law expands what is considered a “public purpose.” Before, cities would use eminent domain to buy up the land they need to build a highway, a public transit line, a new school, a park, or other facilities that are clearly “public” in nature. But under the TIF law, it is possible to use eminent domain much more broadly. Most often, the City uses eminent domain to buy up a large number of adjacent, smaller pieces of land in order to create a larger parcel that it can then sell to a developer at a below-market price. This is one of the major ways that the City can subsidize TIF developments and “grease the wheels” of development.

Before the City can acquire land, it must draft and publish an “**acquisition map**” that shows which properties it has targeted. *Including a piece of property on the acquisition map does not necessarily mean that the City will move forward with the purchase.* Whether or not the City goes through with the eminent domain process depends on a number of factors, including whether there is money in the TIF to buy the land and whether it has located a developer who wants the property. But inclusion of your property on the acquisition map is a strong indication of the City’s intentions, and requires immediate action on your part to protect your assets. Acquisition maps are often included in the original redevelopment plan for the TIF, but can be changed after the TIF is passed. In those cases, property owners must be notified of the change by mail at least 15 days before the matter is voted on by the Community Development Commission.

Property owners are entitled to be paid for their land and buildings when the City invokes eminent domain. The City is required to pay “fair market value” for the property, as determined by a private appraiser who estimates the value of the property. Often, however, the price that property owners are offered is unrealistically low, and does not permit them to relocate their home or business without losing money.

(For more information, see the NCBG fact sheet, “What is the Community Development Commission?”, p. 144)

Why Would the City Want To Take Private Property in a TIF?

Obviously, the power of eminent domain must be used extremely cautiously. Almost nothing has the power to change a neighborhood more quickly than the ability to acquire properties and demolish buildings. The City has used its power to acquire occupied residential and commercial buildings, and there is no indication yet that they will stop. Together with rising property tax bills, the power of eminent domain is the most direct way that TIFs can result in the displacement of residents and businesses.

There are some legitimate uses of eminent domain, however, in areas where there is a large amount of vacant land with absentee landlords. Often, what looks like a single large piece of vacant land is actually many separate parcels owned by different individuals. Much of this land may be delinquent on its property taxes or off the tax rolls altogether. In many cases, it is difficult if not impossible to even figure out who owns the land. For a private developer to invest the time, effort and expense to locate all these property owners and negotiate with them separately is often a major barrier to development. By taking on this part of the project itself, with its ability to fast-track the process, the City is often able to bring jobs or investment to areas that otherwise would remain vacant and unproductive. In these cases – ***where there is no displacement of residents or businesses, and the project would benefit the community*** – the power of eminent domain can be helpful.

What Can You Do?

If you are concerned about the City acquiring your property as part of a TIF, it's important to act quickly:

1. **Get a copy of the acquisition map** to know for sure if your property is targeted. The City is obligated to disclose this information to you.
2. **Contact your Alderman.** The Alderman plays a key role in the development of a TIF plan, and has the power to remove your property from the map.
3. **Get in touch with your neighbors or community organization** to find out if other people are in your situation. A group of people acting together is more effective than a single person acting alone.
4. **Testify at the public hearing.** If you own your property, you are required to be notified by mail at least 15 days before the public hearing, generally administered by the Community Development Commission. If you lease or rent your property, be sure to sign up for the Interested Parties Registry to get notices of public hearings by mail. The CDC has become more sympathetic to the public when the City tries to acquire viable businesses or occupied homes. In several instances, they have sent Dept. of Planning and Development staff back to the drawing board to reconsider taking occupied property. If at least 10 residential units will be displaced by the TIF, then your neighborhood qualifies for the Housing Impact Study. In these cases, the City must hold an additional public hearing devoted solely to the land acquisition issue each time it seeks to use eminent domain.

If your property has been on an acquisition map for four years, then the City must either move to acquire it immediately or remove it from the map, according to a new land acquisition policy approved by the CDC at its May 22, 1999, meeting. While this policy is a small step in the right direction, there remains a need for systematic reform of how the City uses its power of eminent domain.

(For more information, see the NCBG fact sheet, "The Basics of TIF Organizing," p 124.)

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How many TIFs are in Chicago? What overall impact have they had on the City?

Chicago's TIF Districts: Key Facts

- Nearly half of Chicago's 121 TIF districts have been established in the past three and one-half years (since the beginning of 1999). Almost 35% were created just since the beginning of 2000.
- TIFs represent 13.4 % of the City's property value and over a quarter (26.4%) of the City's land area.
- \$870 million of TIF subsidies have already been promised.
- Since 1990, TIFs have captured \$602.5 million in new increment.

How Much of Chicago is Within TIF Districts?

Number of TIFs (February 2001): **121** (as of June 2002)
 Original Value of Property (EAV) in All 121 TIFs:* **\$4,895,302,358** (13.4 % of City's Property Value)
 Acres: **38,550** (26.4% of City's 145,920 acres)**

* This is the frozen value of the property ("Equalized Assessed Value," or "EAV") within the TIF districts, not counting any growth that has taken place since the TIFs were established. For tax year 2000, the City's EAV was \$40,480,075,135.

** This TIF acreage figure does not include acres of two TIF districts for which that information is not available.

When Were Chicago's TIFs Established?

Of Chicago's 121 TIF districts, *well over half (57%) have been established since the beginning of 1999.*

Year	Number of TIFs	Year	Number of TIFs
Prior to Daley Administration	9	1996	8
4/24/89 to 12/31/90	5	1997	7
1991	3	1998	20
1992	1	1999	15
1993	6	2000	24
1994	4	2001	9
1995	1	2002*	9
		*as of 6/1/02	

Which Parts of the City Have the Most TIFs?

Over 30% of the property value located within TIF districts is in the area in or immediately surrounding downtown, although those 16 districts account for less than 4/5% of the total land within TIF districts.

Region	Number of TIFs	Total Initial EAV	Total Acres
Central Region	16	\$1,474,427,996	1,771
Northwest Region	21	\$815,814,061	4,024
Southwest Region	24	\$737,067,542	6,477

North Region	19	\$556,073,840	1,765
West Region	13	\$596,761,523	6,823
South Region	16	\$361,779,003	3,440
Far South Region	12	\$353,878,323	14,250
Totals	21	\$4,895,302,258	38,550

How Much Money Have TIFs Generated?

Since 1990, the first year that NCBG has been able to obtain property tax information on individual TIFs, Chicago's TIFs have generated \$582.4 million for redevelopment:

Tax Year	Total Increment
1990	\$20,143,087
1991	\$24,943,212
1992	\$29,833,686
1993	\$36,281,432
1994	\$40,791,772
1995	\$43,975,807
1996	\$51,668,596
1997	\$60,756,187
1998	\$77,215,944
1999	\$87,702,892
2000	\$129,236,189
Total	\$582,405,717

While TIF districts have generated a substantial amount of money, it is important to point out that **77.5% of that money (\$451,615,702) has come from the TIFs in the Central region of the City** (including \$359.8 million from the Central Loop TIF). So far, most neighborhood TIFs have lagged far behind when it comes to generating funds for redevelopment.

How Much Money Is Budgeted for TIF Projects?

Each TIF district includes a budget that estimates how revenues may be spent over the 23-year life of the TIF. The budget depends on those revenues actually becoming available, and the City may shift dollars among line items in the budget as long as they don't exceed the total estimated budget for the TIF. In other words, while the figures below provide some sense of the City's priorities, *there is no guarantee that they represent how money will actually be spent.*

Category	Estimated Budget
Public Improvements (Infrastructure)	\$1,947,018,110
Property Acquisition, Site Prep, Demolition,	\$1,659,355,356
Rehabilitation of Existing Buildings	\$1,285,877,300
Financing/Interest Subsidy	\$494,508,925
Job Training	\$302,405,000
Administration and Studies	\$166,422,014
Capital Costs of Other Taxing Districts*	\$120,300,000
Relocation Expenses	\$143,061,000
Day Care	\$68,900,000
Contingencies	\$21,761,662
Eligible Construction Costs	\$43,300,000

Eligible New Construction (Affordable Housing)	\$12,500,000
	\$6,265,409,367

** Dollars to reimburse the Chicago Public Schools, Chicago Park District, etc. for capital improvements that they make within TIF districts. (For more information, see the NCBG fact sheet, "Schools and TIFs," p 73.)*

How Have TIF Dollars Actually Been Spent?

Overall, \$870,091,187 in TIF subsidies have been approved for 136 private development projects, and \$290,796,157 have been allocated for 43 infrastructure improvements -- a total of \$1,680,887,344 in TIF funds that NCBG can track. Many more are pending. Below are breakdowns of the various types of development that have been subsidized through TIF.

Downtown (Central Loop TIF District):

Type of Project	Number of Projects	Total TIF Subsidies
Theater District	4	\$39,300,000
Hotels	7	\$37,038,713
Residential Conversions	3	\$17,100,000
Mixed Residential/Office Projects	3	\$12,500,000
Other Commercial/Office Projects	8	\$75,667,081
Total	23	\$181,605,794

(For more information, see the NCBG fact sheet, "The Central Loop TIF," p. 96)

City-wide Commercial Development:

Type of Project	Number of Projects	Total TIF Subsidies
Retail/Shopping Centers	17	\$64,010,833
"Big Box" Retail	6	\$16,900,000
Mixed Commercial/Residential*	14	\$94,834,355
Office	9	\$67,952,993
Theaters	7	\$65,714,290
Small Business Improvement Fund	2	\$1,100,000
Total	24	\$310,512,471

** \$75 million of this subsidy total is for the expansion of the University of Illinois at Chicago's South Campus.*

(For more information, see the NCBG fact sheet, "TIFs and Small Business," p. 42)

Industrial Development:

Type of Project	Number of Projects	Total TIF Subsidies
Manufacturing/Distribution/ Etc.	32	\$203,373,752
Small Business Improvement Fund	1	\$1,000,000
Total	33	\$204,373,752

(For more information, see the NCBG fact sheet, "TIFs, Jobs and Industry," p.51)

Residential Development:

In order to give an overall count of housing units built with TIF dollars, the chart below includes projects in the Central Loop TIF that represent 59 affordable units, 458 market rate units, and \$16.1 million in TIF subsidies.

Type of Project	# of Projects	Affordable Units	Market Units	Total TIF Subsidies
All Affordable	10	1392	0	\$23,296,051
Mixed Affordable/Market Rate	8	440	922	\$42,852,855
All Market Rate	7	0	1717	\$104,483,040
Neighborhood Investment Fund	5	N/A	N/A	\$9,100,000
Total	28	1832 (41%)	2639	\$179,731,946

NOTE: One redevelopment project – the L&O Partnership #2, for which NCBG could not uncover an explanation – received \$3,151,400 in TIF funds.

(For more information, see the NCBG fact sheet, “TIFs and Housing, p 33.”)

Infrastructure Projects:

Type of Project	# of Projects	Total TIF Subsidies
Other Development Projects*	7	\$125,423,604
Schools	3	\$110,250,000
Police Stations	2	\$50,500,000
Transit	3	\$38,700,000
Lighting	12	\$36,377,583
Industrial Street Improvements	2	\$6,400,000
Municipal Facilities	2	\$3,100,000
Parks and Greenspace	4	\$5,300,000
Streetscaping	5	\$4,540,000
Bridge Improvements	1	\$1,500,000
Traffic Signals & Intersection Improvements	3	\$486,370
Sidewalks	2	\$418,600
Library	1	\$350,000
Viaduct Clearance Improvements	1	\$250,000
Major Street Improvements	1	\$100,000
Total	49	\$383,696,157

* This includes improvements to South Wabash Ave. to support the Central Station development in the Near South TIF, the removal of the State Street pedestrian mall and streetscaping of the commercial area from Wacker Dr. to Congress Pkwy.

(For more information, see the NCBG fact sheets, “TIFs and Infrastructure,” p. 68 “TIFs and Schools,” p. 73 and “TIFs and Public Transit,” p. 82)



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How do TIFs affect homeowners and renters?

TIFs and Housing: Key Facts

- About half of the housing units built with TIF dollars are considered affordable by the City.
- Recent changes to State law may make it easier for developers to build affordable housing.
- If a TIF is going to affect a substantial number of residents, the City must conduct a "housing impact study" before the TIF can go forward.

TIFs work by raising the overall property value of a TIF district, which generates more property tax revenues that can then be used to pay for redevelopment projects. In a primarily residential TIF district, property values can rise in one of three ways. First, new housing can be built on vacant land which currently pays little or no taxes. Second, improvements to existing properties can boost tax revenue in the area. Finally, the values of existing houses and apartment buildings can rise as part of a general growth in area property values, forcing residents and businesses to pay higher property taxes or rents. While renters don't directly pay property taxes, they often see the impact of higher property taxes passed on to them in the form of higher rents or condominium conversions.

There's good news and bad news when it comes to the impact of TIFs on residents. The bad news is that TIFs, particularly in areas that have already begun to experience rising property values, can accelerate the process of gentrification. Rapid development – particularly high-end residential construction – may drive property taxes up throughout the neighborhood, even in areas just outside the boundaries of the TIF. Even more directly, new development can lead to the demolition of existing affordable housing. The good news is that recent changes to State law make it easier to pay for the construction of affordable housing with TIF dollars, and provide some protection to residents who are threatened with displacement.

How Have TIF Dollars Been Used For Housing?

The City of Chicago has long used TIFs to pay for housing development – both affordable and market-rate. There is no written policy at the State level that requires a set-aside for affordable housing, though the City has said in the past that it wants developers to reserve 20 percent of the units in each TIF-subsidized residential project to be affordable. As you can see in the attached list of TIF-funded housing

TIF Funds Used For Housing:

# of Residential TIF Projects:	25
# That Include Affordable Housing:	18
Total Housing Units Built With TIF:	4471
# of Affordable Units:	1832
% of Affordable Units:	41%
Total TIF Subsidies for Housing:	\$179,731,946
<i>(including TIF NIP Program)</i>	
Total Non-TIF Investment:	\$549,448,236

projects, however, the City does not always abide by that standard. Some downtown projects in which office buildings are converted into high-end condominiums are among the worst violators of this unwritten rule.

Still, there has been some affordable housing constructed with TIF dollars. Overall, NCBG can track 25 TIF projects have included some residential development. NCBG can document 4,471 units of housing constructed as part of those projects, 1,832 of which are listed as affordable. A total of \$179.7 million of TIF money has been promised to housing development projects (including the \$9.1 million in direct rehab grants provided through the Neighborhood Investment Fund program), which has resulted in \$549.4 million of additional investment.

Please note: Seven of these projects (in the Central Loop, Near South, Howard-Paulina, Chinatown Basin, Lawrence/Broadway, and Lincoln/Belmont/Ashland TIF districts) are mixed-use projects that include some commercial development, and their \$46,850,240 in TIF subsidies is counted in full here.

The State TIF reform law, signed into law by Gov. George Ryan in August 1999, will make it easier for developers to use the TIF program to build affordable housing. In general, TIF dollars cannot be used to pay for the “bricks and mortar” costs of construction. Subsidies to private developers instead come in the form of funds for activities such as land acquisition, environmental cleanup, surrounding infrastructure improvements, building demolition, financing and interest payments, or job training programs. The State TIF reform law allows for up to half of the “bricks and mortar” cost of affordable housing projects to be paid for out of TIF revenues. Developers may also use TIF money to write off up to 75 percent of the interest costs associated with the project. (Think of it like someone paying for the interest on your home mortgage or other loan. In the end, you owe less because you don’t have to pay the interest.) These incentives could make it much more attractive for developers to build more affordable housing in some TIF districts.

Can TIF Dollars Benefit Existing Homeowners and Renters?

As with commercial development, the TIF program tends to favor big housing developments – often on large pieces of vacant land – over assistance to existing homeowners. Historically, the City has looked for the biggest “bang for its buck” when it comes to development projects, and it is much easier to give a subsidy to a single developer who will build dozens of units at once than it is to distribute dozens of subsidies to individual homeowners. The drawback to such an approach is that new residents benefit from the TIF program, while existing residents find it nearly impossible to tap into the money.

The City is gradually recognizing this problem, and has established a pilot program called the **Neighborhood Investment Program (or “TIF NIP”)** that provides a way to give existing homeowners direct grants for exterior repairs and safety upgrades.

A single-family is eligible for grants of up to \$10,000. Multi-unit buildings can receive grants of between \$12,500 and \$50,000, depending on the number of units. The programs are administered through two private agencies under contract with the City – Neighborhood Housing Services (for the single-family program) and the Community Investment Corporation (for the multi-family program) – which are in charge of selecting who gets the grant money. Households who benefit from the program must be low- to moderate-income.

So far, five communities have taken part in the TIF NIP program – Woodlawn, Bronzeville, Lawrence/Kedzie, South Chicago, and most recently the large Midwest TIF district in the Garfield

Park/Lawndale communities, where a combined NIP and SBIF (small business improvement fund) program was instituted in 2001. In each of those communities, the City borrowed from \$1 million to \$4.9 million from local banks which it will repay with TIF revenues as they become available. While the program shows some promise for broadening the range of people who benefit from TIF, it remains small – both in terms of the number of neighborhoods it impacts, and how much assistance it can provide to those neighborhoods.

(For more information, see the NCBG fact sheet, “TIF NIP and TIF SBIF,” p. 48)

What Protections Exist for Homeowners and Renters?

In order to truly provide better protection for residents in TIF districts, the program would have to change in at least two major ways:

- The City would have to thoroughly reform the public participation process to give taxpayers early notice about planned development in their communities and early access to the TIF acquisition map – along with a way to change these plans when they don’t fit with the wishes of the community.
- The City or County would have to establish a strong property tax relief program for homeowners in rapidly gentrifying areas, as well as a strategy for protecting renters from the effects of rapid gentrification.

Unfortunately, these protections do not exist yet. In the meantime, there are two public policies that can provide some protection for homeowners and renters.

Housing Impact Study

As a result of the 1999 State TIF reform law, the City now must measure the impact a TIF will have on residents before it is voted on by the City Council or the Community Development Commission. This new “housing impact study,” usually conducted by the same consultant that does the TIF eligibility study, is designed not only to identify the effect of the TIF on existing housing, but also to require the City to submit a plan for relocating affected residents.

The City must conduct a housing impact study if:

- At least 75 occupied residential units are located within the TIF; or
- The TIF plans to remove 10 or more occupied residential units.

This study must contain information about:

- The physical characteristics of residential properties that will be affected.
- Whether those properties are occupied.
- The racial and ethnic breakdown of the inhabitants of those properties (as of the last census).

If residents will be displaced because of the TIF, the City must:

- Provide money to help the occupants relocate to a new home.
- Identify available, affordable replacement housing for the people who were displaced.

If the City wants to increase the number of individuals who are displaced by *even one household*, it must hold a public hearing on the plan and get the approval of the Community Development Commission and the City Council.

Chicago Homeowner Assistance (CHAP) Program

One of the biggest potential problems for long-time residents who have found themselves living in a TIF district is the threat of rising property tax bills. In some cases, development in the area drives property values so high that people can no longer afford to live in their own homes. To help fight this problem, the Cook County Assessor's Office runs the Chicago Homeowners Assistance Program, or "CHAP" for short.

CHAP makes reduced-interest loans (currently 3 percent) to homeowners to help them pay a portion of the increase in their property tax bill at a reduced interest rate. Homeowners do not have to pay back the loan until they sell their homes. The expectation is that sellers will get a higher price for their home and use a part of the increase to pay back the loan.

To be eligible for the CHAP program you must:

- Own your home, and have lived there for at least five years.
- Have seen your assessment increase by more than 21.4 percent (the City's average increase)
- Meet income requirements based on the size of your household (ranging from \$35,150 for a one-person household to \$66,250 for an eight-person household).

Critics say the CHAP program is inadequate because it relies on loans instead of direct property tax exemptions or reductions. Others have criticized the program for applying only to those who already fully own their homes, and for not helping renters.

For more information, contact the CHAP Hotline (in English and Spanish) at 312-745-CHAP or the Cook County Assessor's Office at 312-443-7550. To request a presentation about CHAP to your community group, block club, or church, call the CHAP Program Coordinator, Vince McFallar, at 312-747-7591.

(For more information, see the NCBG fact sheets, "The State TIF Reform Law," p. 19, "How Does the Property Tax System Work in Cook County," p. 13, and "Land Acquisition and Eminent Domain," p. 26)

What Does The City Mean By "Affordable"?

Once a neighborhood gets the City to agree in principle to support "affordable" housing, then the next question is, "What is 'affordable' housing?" Unfortunately, agreeing on what constitutes affordable housing is often a major challenge in itself.

A generally accepted rule of thumb is that an affordable rent can be no more than 30 percent of a person's income. For an individual making \$22,000 per year, for example, an affordable rent would be \$550 per month. For a family of four making \$31,000, an affordable rent would be \$775, according to this definition.

When the City is defining affordability in terms of a TIF deal, it compares a family's income to the average income for the Chicago area. As part of its official "Application Checklist" that the Dept. of Planning and Development distributes to developers seeking TIF subsidies, the City states that it "requires developers who receive TIF assistance for market rate housing [to] set aside 20% of the units to meet affordability criteria established by the City's Department of Housing." Those affordability criteria, the policy goes on to say, are:

- **Rental Housing:** Units should be affordable to persons earning no more than 80 percent of the area median income.

- **For-Sale Housing:** Units should be affordable to persons earning no more than 120 percent of the area median income.

But how do those guidelines translate into the real world? In order to calculate the median incomes, the City relies on estimates of the area's median (average) income calculated by the U.S. Dept. of Housing and Urban Development (HUD). In general, "low-income" is defined as 80 percent of the region's median income, "very low-income" is defined as 50 percent of the median, and "extremely low-income" is defined as 30 percent of the area median.

For a family of four in the Chicago Primary Metropolitan Statistical Area (PMSA), which includes suburbs outside of the city, the median income as of 2002 is \$75,400. It is the PMSA number that HUD uses in its affordable housing calculations. For the purposes of calculating affordable housing guidelines, HUD caps the median income for a family of four at \$54,400. In other words, even though the Chicago Area's actual median is \$75,400, the City must use \$54,400 to calculate the definitions of affordable housing.

For the period beginning in January 2002, the median incomes for the purposes of calculating affordable housing were:

Household Size	Percent of Median Income			
	30% -- Extremely Low Income	50% -- Very Low Income	80% -- Low Income	100%
1	\$15,850	\$26,400	\$38,100	\$52,800
2	\$18,100	\$30,150	\$43,500	\$61,500
3	\$20,350	\$33,950	\$48,950	\$67,900
4	\$22,600	\$37,700	\$54,400	\$75,400
5	\$24,450	\$40,700	\$58,750	\$81,400
6	\$26,250	\$43,750	\$63,100	\$87,500
7	\$28,050	\$46,750	\$67,450	\$93,500
8	\$29,850	\$49,750	\$71,800	\$99,500

Source: Department of Housing and Urban Development, *FY 2002 Section 8 Income Limits*

Housing Projects Funded With TIF Dollars

41st/King Drive (Ward 3)

Developer: Paul G. Stewart Apartments

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF Assistance
7/13/94	SE Corner of King & 41st	96	96	\$11,879,338	\$1,750,000

Construct 13-floor residential building with 96 units of affordable housing.

43rd/Cottage Grove (Ward 4)

Developer: Hearts United

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF Assistance
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Cottage Grove, 41st to 43rd Streets	116	116	\$17,894,043	\$6,927,430
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Construct 116 units of scattered site affordable housing including 29 units of replacement housing for the CHA.

Developer: Hearts United Phase II Limited Partnership

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
6/28/00	628-636 E Bowen Ave, 630-636 E 42nd St, 4207-4213 S St Lawrence Ave	107	75	\$15,961,156	\$3,400,000

Construct 107 units of housing, 75 of which will be affordable, on 16 residential sites owned by City.

Developer: Hearts United III Corp., Bonheur Corp.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
11/28/01	43rd-44th, Champlain, Vincennes, St. Lawrence, Langley	56	46	\$10,044,799	\$1,400,000

The Leotype: 53 apartments, 9 buildings; 13% market rate. 87% affordable; City sells 9 non-contiguous lots to developer for \$1 each.

49th/St. Lawrence Ave. (Ward 4)

Developer: Willard Square Ltd.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
7/31/96	4915 S. St. Lawrence Ave.	237	237	\$12,110,264	\$1,034,800

Construct 237 units of new affordable housing in 19 separate buildings.

89th/State (Ward 6)

Developer: Chatham Club LLC

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
9/9/98	80th Street/S. Indiana Ave.	143	29	\$33,637,500	\$3,600,000

Construct 143 new single-family homes, 20 percent of which will be affordable, and a playlot.

Archer Courts (Ward 25)

Developer: City of Chicago

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
	2242 S Princeton Ave	147	147	\$11,040,129	\$2,500,000

Rehabilitate 147 units of federal Section 8 housing.

Bronzeville (Wards 2,3)

Developer: South Park Plaza L.P.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
2002	26 th to 29 th St., Prairie to King Dr.	134	134	\$27,000,000	\$2,800,000

1st phase of 2-phase project 10-acre site of former Prairie Courts (CHA Sec. 8 development); all affordable to 60% below med. Income.

Bryn Mawr/Broadway (Ward 48)

Developer: Bryn Mawr-Belle Shore Limited Partnership

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
6/14/97	5550 N. Kenmore and 1062 W. Bryn Mawr	371	371	\$17,177,000	\$4,877,000

Façade improvements to the Bryn Mawr (5550 N Kenmore) and Belle Shore (1062 W. Bryn Mawr) apartment buildings. Created 371 dwelling units, most of them affordable, and ground floor commercial space.

Central Loop (Ward 42)

Developer: Fisher Building LLC/Kenard Corp.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
5/12/99	343 S. Dearborn	184	0	\$33,880,793	\$6,600,000

Renovate the historic Fisher Building from Class C office space to luxury rental apartments with first and second floor retail/office space.

Developer: Mentor Building LLC/Joseph Freed & Assoc.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
11/3/99	37-41 S. State St.	40	0	\$11,506,161	\$2,500,000

Renovation and rehab of historic Mentor Building. Retail on floors one and two, office or residential on floors two and three, fitness center in basement, 40-50 condominiums in upper floors of 17-story building.

Developer: 201 N Wells Investors/American Invesco

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
3/15/00	201 N. Wells St	293	59	\$43,150,400	\$7,000,000

Redevelop historic Trustees System Services building into 293 rental residential units, 20 percent of which should be affordable, plus first and second floor retail/office space.

Chinatown Basin (Ward 25)

Developer: Chinese-American Development Corp.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
4/25/90	Bordered by Grove, Archer, Stewart,	280	0	\$21,933,040	\$5,933,040

Cermak and Wentworth

Construct 280 townhomes and condominiums, 56 retail units, one oriental-themed open-air mall, a 100,000 sq. ft. Asian trade center, and a 200 room hotel.

Developer: Jade Garden Limited Partnership

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
5/9/96	330-332 W Cermak Rd, 336-338 W Cermak Rd, 2156-2162 S Tan St	22	22	\$7,691,442	\$318,621

Construct 22 units of affordable housing and related public improvements. All rents must be affordable to families whose income less than or equal to 60% of City's median gross income.

Howard/Paulina (Ward 49)

Developer: Howard Theater, LLC

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
7/29/98	1615-1643 W. Howard Street	40	40	\$3,790,000	\$878,200

Construct 40 affordable rental units, 11 parking spaces, and 10 commercial storefronts. Rents should not exceed 30% of maximum allowable income for low-income families, defined as 80 percent of Chicago's median income.

Developer: Combined Development, Inc./Gateway Housing

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
6/28/00	7450 N. Rogers	95	95	\$5,400,000	\$0

Construct 95 1-2 bedroom apartments. At least one resident must be a senior citizen.

Lawrence and Broadway (Wards 46, 48)

Developer: Uptown Goldblatts Venture L.L.C.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
2002	4720-40 N. Broadway	37	8	\$24,400,000	\$5,750,000

Redevelopment of Goldblatts store; Joseph Freed & Assoc.; 37 condos, 8 of which "affordable" at \$100,000 to \$155,000; retail on 1st floor -- possibly Borders; \$1.25 of TIF subsidy to be funneled to Leland Hotel redevelopment

Developer: Leland Neighborhood Development Corp.

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
<u>Assistance</u>					
2002	1201-13 W. Leland	133	133	\$12,400,000	\$1,250,000

Redevelopment of Leland Hotel into an SRO, 133 units; including community arts group.

Lincoln/Belmont/Ashland (Wards 32, 44)

..... Neighborhood Capital Budget Group/TIF ALMANAC/p 41

Developer: Lincoln-Belmont-Ashland LLC

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF
<u>Assistance</u>					
11/30/94	3219-3265 W. Ashland/3220-3258 W. Ashland/1601-1623 W. School	127	0	\$37,039,763	\$7,500,000

Construct 90,000 square feet of retail space, 80 loft condominiums, and 47 townhomes.

Montclare (Ward 36)**Developer: Montclare Senior Residences, L.P.**

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF
<u>Assistance</u>					
9/27/00	6650 W Belden Ave	153	153	\$20,937,147	\$0

Construct 153-units of affordable housing for senior citizens. This entry is a bond and loan agreement. Future TIF revenues have been promised, though a formal redevelopment agreement has not yet been passed.

Near North (Wards 27, 32)**Developer: North Town Village, LLC**

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF
<u>Assistance</u>					
12/15/99	North of West Scott Street, East of North Halsted St	261	130	\$55,000,000	\$8,600,000

Construct 261 units of mixed income housing on former Cabrini Green sites. 78 of 116 rental units, and 52 of 145 for-sale units, will be affordable. 79 of the affordable units will be leased to the Chicago Housing Authority.

Near South (Wards 2, 42)**Developer: Central Station Development Corp.**

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF
<u>Assistance</u>					
7/24/91	1304 S. Indiana Avenue	400	80	\$114,872,600	\$10,689,000

Phase I of residential development south of downtown that includes Mayor Daley's residence. Commitment to construct 20 percent affordable housing.

Developer: Wabash Ltd. Partnership

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF
<u>Assistance</u>					
9/14/94	1318-1352 S. Wabash Ave.	87	0	\$12,475,698	\$2,000,000

Rehab two adjoining structures to create 87 one- to two-bedroom condominiums plus parking,

Developer: Senior Suites Chicago

Date	Project Address	Total Units	Affordable Units	Total Cost	TIF
<u>Assistance</u>					

..... Neighborhood Capital Budget Group/TIF ALMANAC/p 42

7/13/95	1400-1412 S. Indiana Ave.	96	96	\$9,197,297	\$960,000
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Construct 96 units of housing for low- to moderate-income senior citizens.

Woodlawn (Ward 20)

Developer: Woodlawn Park LLC/Allison S. Davis Group

<u>Date</u>	<u>Project Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Total Cost</u>	<u>TIF</u>
7/19/00	1201-1313 E 63rd St, 6311-6313 S Woodlawn Ave.	65	13	\$16,774,042	\$2,413,855

Original plan: construct 39 2-flat buildings. 8 units sold under New Homes for Chicago . Price: \$140,000 to \$235,000. Subsidy cap at \$10M/home or \$30M per 2-flat; Redevelopment agreement amended 10/31/01: convey 26 city-owned parcels for 26 SF homes; price: \$145M to \$379M



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How do TIFs affect small businesses in Chicago?

TIFs and Small Business: Key Facts

- TIF subsidies tend to favor larger developments that require stretches of vacant land over improvements to denser existing commercial areas.
- Commercial TIF subsidies have tended to go to shopping centers, grocery stores, and “big box” retail.
- Small businesses may be able to use other economic development tools – or the new “TIF SBIF” program, to get public dollars to improve commercial areas.

Are TIFs A Good Tool for Small Businesses?

Historically, it has been difficult for most small businesses to directly benefit from tax increment financing arrangements. Most of the commercial TIF deals (called “redevelopment agreements”) to date have subsidized larger-scale developments such as shopping centers or movie theater complexes. Very few have provided financial assistance to small business owners and operators to improve their facilities or help them expand their operations. There are several reasons for this pattern:

- **The City is looking for the most “bang for its buck” when it selects TIF projects.** Each redevelopment agreement must be negotiated with the developer, then approved by the Community Development Commission and the City Council. These activities all require substantial involvement by the staff of the Dept. of Planning and Development, not to mention a considerable investment of time by the business owner. A smaller number of big deals, so the City’s logic goes, is easier to manage than a large number of smaller ones. In other words, it’s easier to subsidize the construction of a large new shopping center than it is to help a dozen shop owners improve their existing businesses. Homeowners and renters face a similar problem when trying to get direct benefits from the TIF program.
- **Building on vacant property provides the fastest increases in tax revenue.** The engine behind the TIF program is growth in property values. Without that growth, there is no money to pay for redevelopment, so the City tends to look for the projects that will provide the quickest growth in tax revenues. A vacant lot pays little or no property taxes. Constructing a new project on this vacant, unproductive land – *any* project – means an immediate and substantial jump in the City’s tax revenue. The chance to make this sort of “instant increment” is more appealing to the City than plans to improve the properties of existing small businesses, which will generate new taxes more gradually.
- **Existing small businesses typically don’t ask for or benefit from a TIF’s powers of land acquisition and assembly.** One of the most powerful tools in the City’s TIF arsenal is the ability to acquire many smaller parcels of land, assemble them into larger properties, then sell that land to a developer. This power is especially useful to developers who wish to build large projects – a shopping mall, for example – in an area where there are many smaller pieces of land owned by many different people. The City’s power of “*eminent domain*” – the ability to force property owners to sell their land at market value for a “public good” – makes it much quicker, cheaper, and easier for the City to take this task on itself. Big developers often see their projects progress more smoothly because of the City role, but small businesses are often hurt by it.

In fact, the TIF program can pose a number of risks to small businesses if the overall redevelopment plan for the TIF does not make an explicit effort to benefit existing residents and businesses:

- **Direct Displacement:** The TIF can be used to acquire private properties and then re-sell them to a private developer.
- **Indirect Displacement:** The TIF could gentrify the neighborhood, raising property taxes above what existing businesses can afford to pay, forcing them to close or relocate to another, less expensive area.
- **New Competition:** The TIF could subsidize similar businesses or relocate the center of commerce to another part of the area, leaving your business with fewer customers or higher operating costs than the competition.

While these changes don't take place in every commercial TIF, they are valid concerns. Many community based organizations and small business associations are now insisting that the Alderman and the City address these concerns as the TIF moves forward.

(For more information, see the NCBG fact sheets, "Eminent Domain and Land Acquisition," p. 26 and "The Basics of TIF Organizing," p. 124)

How Have TIF Dollars Been Used for Commercial Development?

As you can see from the following lists of redevelopment agreements, very few TIF dollars have gone to traditional neighborhood commercial areas. **Overall, \$237,401,829 of TIF dollars have gone to commercial projects outside the Central Loop.** But the vast majority of these funds has been used for either shopping centers, "big box" retail, movie theaters, or corporate office space. For example:

- \$49.8 million in TIF dollars have gone to retail and shopping center development
- \$14.8 million has gone toward "big box" retail stores
- \$9.8 million has been allocated for movie theater projects
- \$34.7 million has gone to office building development.
- \$127.2 million has gone to mixed-use residential/commercial development

In some cases, these projects have filled a neighborhood need, particularly in cases where the development brought a full-service grocery store to a long-neglected area. But the fact remains, very few local small businesses have been able to cash in on TIF funds. "Mixed-use" development – where retail and residential properties are developed side-by-side, or even one on top of another – are most like what is found in typical Chicago commercial areas. While \$88.4 million in TIF funds have been pledged for mixed-use development, the vast majority of it is for one highly specialized project: the redevelopment of the University of Illinois at Chicago's South Campus. The only real dollars that have gone to traditional neighborhood commercial projects have come through the TIF Small Business Investment Fund Program (see below) or the \$1.33 million in TIF-funded streetscaping projects made in the Greektown commercial area in the Near West TIF. But the SBIF funds, which total about \$750,000 in the one commercial area where the program is in place as of this writing, are only a tiny fraction of the \$183 million in commercial TIF subsidies promised by the City.

The TIF Small Business Investment Fund

The City has begun to acknowledge that it is difficult to get TIF dollars directly in the hands of residents and small business owners. In response to community pressure to ensure that TIFs benefit long-term local stakeholders, the City launched a pilot program called the Small Business Investment Fund (SBIF) in a handful of neighborhood TIFs. The program has two steps:

1. **The City persuades a local bank to loan a sum of money that can be used to front-fund the TIF.**
The bank will be repaid, with interest, as the TIF generates revenues of its own.

2. **Small businesses apply to receive grants of up to \$50,000 to improve their businesses.** SBIF funds can be used for such rehabilitation or remodeling expenses as roof and façade improvements, signs or awnings, projects that help the business comply with the Americans With Disabilities Act, environmental clean-up, certain beautification projects that also benefit the general public, and improvements to the building’s heating, cooling, and mechanical systems. SBIF dollars **cannot** be used for new construction, painting or other minor repairs, equipment, interior improvements to residential units on the property, or security fencing are **not** eligible expenses.

The TIF SBIF program, if it is expanded beyond the initial two test areas, could become one good way to help small businesses take advantage of the TIF program.

(For more information, see the NCBG fact sheet, “TIF NIP and SBIF,” p. 48)

The chart at the end of this fact sheet lists TIF-funded commercial developments outside the Central Loop TIF. For information on projects downtown, see the NCBG fact sheet, “The Central Loop TIF,” p. 96.

Are There Any Other Options for Small Businesses?

There are other economic development programs besides that can help small businesses, or that could be combined with SBIF. An organized group of businesses that forms partnerships with other local organizations may be able to benefit from a combination of the following initiatives:

Special Service Areas

Small businesses may want to form a “Special Service Area” (SSA) as an alternative to TIF. An SSA can be established when those taxpayers located inside of a proposed geographic boundary agree to a small increase in their property tax rate. Unlike a TIF, members of the community decide how the new revenues will be spent – not the Mayor or the Alderman. SSAs can be used for a wide range of projects specifically geared toward existing businesses, such as: joint advertising campaigns, extra street sweeping and security, landscaping, façade improvements, and small infrastructure improvements. An appointed commission of local stakeholders has authority over how the SSA funds are spent, guaranteeing local control over priorities.

(For more information, see the NCBG fact sheet, “Special Service Areas,” p. 156)

Community Infrastructure Planning

Public infrastructure improvements enhance the quality of life in a neighborhood for existing residents and small businesses alike. For example, landscaping, sidewalk repairs, lighting improvements, and additional parking could help revitalize a neighborhood commercial district. Repairs to major streets or better traffic signals could ease congestion for residents and business owner s alike. Community groups, residents, and business owners need to work together to identify their public works priorities, then push the City to include those public improvements either in the City’s ongoing Capital Improvement Program or in the TIF plan. While TIFs can help pay for infrastructure improvements, ***TIF funds should always supplement – not substitute for – the general City investment in public works improvements in your neighborhood.***

(For more information, see the NCBG fact sheets, “Chicago’s Capital Improvement Program,” p. 160 and “TIFs and Infrastructure,” p 68)

Other Options

The City has a wide range of economic development programs for businesses, ranging from equipment loans to the façade rebate program. For a more detailed list of economic development programs available to Chicago businesses, see the NCBG fact sheet, “TIF Alternatives: An Overview,” p. 152.

TIF-Funded Commercial Developments Outside the Central Loop TIF

The following charts use jobs figures provided by the City, which are based on figures reported by the companies. We have used either the “actual” job creation figures in the City’s annual reports on each TIF district, or the number of jobs promised in the original redevelopment agreement. In either case, there are serious questions about how many jobs were actually created as a result of TIF deals. In cases where the number reported is “0” it indicates that no jobs were promised in the agreement or reported by the City at a later date. Developers who get TIF subsidies submit their own numbers for jobs retained or created. This “self-reporting” can be self-serving. Sometimes, the figures do not explain whether the jobs are part-time or full-time, and in extreme cases even may include jobs created “indirectly” at nearby businesses.

TIF District/Date	Description	TIF Subsidy	Jobs Promised/Reported
79th St. Corridor (3/7/01)	Auburn-Gresham LLC 78th & Halsted Commercial Building	\$385,000	
95th/Stony Island (4/1/98)	95th/Stony Island 9500 S. Stony Island Construct shopping center and grocery store.	\$5,125,000	Create 400 Jobs
Devon/Western (3/28/01)	First Mutual Bank of Illinois 6333-39 N Western Ave. Demolish present buildings for construct a banking facility. Reconstruct current city parking lot.	\$500,000	
Edgewater (2/7/90)	First National Realty * & Development 1116 W Berwyn Ave. Construct new shopping center	\$1,100,000	0
Englewood (2002)	Englewood Commercial Development Co./Smithfield Properties 59th St., 60th St., 61st St., Halsted 6-bldg development, 72 storefronts; merchants moving from 63 rd -64 th St.; City will buy 12 parcels (appraised value: \$832,000) and sell them to developer for \$1	\$5,400,000	
Howard/Paulina (6/9/99)	Combined Development/Howard LLC 7600 N Clark St. Construct shopping center & grocery store with CTA access	\$8,000,000	Create 133 full-time & 262 part-time jobs
Irving/Cicero (9/11/96)	Six Corners Development, LLC 4800 W Irving Park Rd. Construct shopping center with Jewel & Marshall's	\$3,700,000	Create 200 full-time jobs
Lincoln Ave. Corridor (2002)	BGP Lincoln Village LLC 6055-6199 N Lincoln Ave Redevelopment of Lincoln Village shopping center. Including 109-unit senior housing and Border's Books	\$4,950,000	
Near South (11/30/94)	American Store Properties, Inc. 1200 S State St. Construct grocery store and related retail	\$2,000,000	Create 115 full-time jobs
North/Cicero (4/21/99)	North & Cicero Development, LLC 4801 W North. Ave Construct Dominicks and shopping center	\$6,290,000	Create 400 jobs
Roosevelt/Canal (10/30/96)	Soo T, LLC 1202 S. Canal St Construct Dominicks and shopping center	\$4,500,000	Create 100 jobs
Ryan/Garfield (9/9/87)	Ryan Center Limited Partnership 5300 S Wentworth Ave. Construct shopping center	\$2,315,000	0
TIF District/Date	Description	TIF Subsidy	Jobs Promised/Reported
Stockyards Industrial-Commercial (5/24/89)	Yards Developers, Inc 4700 S Damen Ave. Construct shopping center and grocery store	\$2,915,000	Create 400 jobs
Stockyards Southeast Quadrant (11/8/00)	Stockyards Inn 4146-4152 S Halsted Conversion of Exchange Building to an upscale restaurant and banquet facility	\$100,000	
Stony Island Commercial – Burnside Industrial (1/10/01)	Greenwood Associates, LLC Greenwood near E 87th St Renovation of former shopping center into 12 tenant spaces; street improvements at E. 87 th St and	\$2,600,000	

	Greenwood Ave. intersection, 3 office buildings total 47,000 SF, 160 parking spaces		
Total		\$49,880,000	

“Big Box” Retail

TIF District/Date	Description	TIF Subsidy	Jobs Promised/Reported
95th/Western (12/10/97)	DB Beverly LLC 2200 W. 95th St. Construct Border's book store	\$1,600,000	Create 28 jobs.
Chatham Ridge (1/14/98)	Home Depot 200 W. 87th St. Construct new Home Depot outlet	\$3,200,000	O
Fullerton/Normandy (10/5/94)	Home Depot 6600 W. Fullerton Ave. Construct new Home Depot outlet	\$3,100,000	Create 200 jobs.
Northwest Industrial (2002)	Home Depot 1949 N. Cicero Community Development Commission, 2/5/02, approved negotiations for a 118,000 SF Home Depot; an industrial building to be demolished	\$3,100,000	Create 125 jobs
West Grand (6/10/96)	PetSmart 6655 W. Grand Ave. Construct new PetSmart store.	\$800,000	Create 42 jobs.
West Ridge/Peterson (11/27/86)	May Company Department Stores 2036 W. Peterson Ave. Construct Venture (now Kmart) store.	\$3,000,000	Create 37 jobs.
Total		\$14,800,000	

Movie Theatres

TIF District/Date	Description	TIF Subsidy	Jobs Promised/Reported
60th/Western (6/4/97)	Plitt Theaters/Inner City Entertainment (I.C.E.) 6100 S. Western Ave. Construct new movie theaters.	\$2,652,290	Create 33 full time jobs.
Chatham Ridge (5/20/98)	Plitt Theaters/I.C.E. Chatham, Inc. 200 W. 85th St. Construct new movie theaters.	\$3,827,000	Create 8 full time and 58 part time jobs.
Roosevelt/Homan (11/10/99)	Plitt Theaters/I.C.E. Lawndale, Inc. 3300 W. Roosevelt Rd. Construct new movie theaters.	\$3,335,000	Create 50 jobs.
Total		\$9,814,290	

Office Space

TIF District/Date	Description	TIF Subsidy	Jobs Promised/Reported
Canal/Congress (9/27/00)	Monroe/Clinton LLC 555 W. Monroe St. Construct corporate headquarters for Quaker Oats.	\$9,750,000	Retain 800 jobs.
Kinzie Industrial (5/17/00)	MarchFirst, Inc. 300 N. Elizabeth St. Construct new corporate headquarters for high tech company.*	\$23,500,000	Create 1,162 jobs.
Near West (7/2/92)	Fogleson Development Corp./H20 Plus, Inc. 1200 W. Madison St. Construct new corporate headquarters.	\$1,084,115	Create 60 jobs.
West Pullman (2002)	Lewis & Amu Development Corp. 1336 W. 119th St. Spec office space; 2 buildings, each 104,000 SF; state DCFS facility to be on 1/2 of site	Land Write- down; Value: \$392,040	Retain or Create 600 jobs
Total		\$34,726,155	

* Although the subsidy was approved by the Chicago City Council, this deal is on likely dead due to the company's financial problems.

Mixed Use (Commercial/Residential) Development

TIF District/Date	Description	TIF Subsidy	Jobs
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			Promised/Reported
Chicago/Kingsbury <i>11/15/01)</i>	535 & Montgomery Ward Redevelop the Ward's high rise building and garage across the street.	\$3,500,000	
Chicago/Kingsbury <i>(2002)</i>	Eport 600 LLC/Centrum Redevelopment of historic Montgomery Wards warehouses for commercial-residential use; including affordable housing	\$28,500,000	
Chinatown <i>(4/25/90)</i>	Chinese-American Development Corp. 300 W. Archer Ave. Construct new shopping center and townhomes.	\$5,933,040	Create 700 jobs
Howard/Paulina <i>(7/29/98)</i>	Howard Theater, LLC 1615-1643 W. Howard Street 40 affordable rental units, 11 parking spaces, and 10 commercial storefronts	\$878,200	Create 27 jobs; Retain 15 jobs
Lawrence/Broadway	Uptown Goldblatts Venture LLC 4720-40 N. Broadway Community Development Commission, 2/5/02, approval. Redevelop Goldblatts store into 37 condos, including 8 affordable; retail on 1st floor; \$1.25M of TIF subsidy to be funneled to Leland Hotel redevelopment	\$5,750,000	
Lincoln/Belmont/Ashland <i>(11/30/94)</i>	Lincoln-Belmont-Ashland LLC 3219 N. Ashland Ave. Mixed retail/condominium development.	\$7,500,000	Create 313 jobs.
Near South <i>(6/9/99)</i>	Reliable Building, LLC 2024 S. Wabash Ave. Construct retail/residential/restaurant complex.	*	0
Roosevelt/Union <i>(11/10/99)</i>	University of Illinois Board of Trustees 1201 S. Halsted St. Construct private and student housing, retail, and academic facilities for South Campus expansion.	\$75,000,000	0
Total		\$127,061,240	

* The property for the project was acquired by the City and then sold to the developer at a discount, but no dollar value for the TIF subsidy was provided in the redevelopment agreement. The value of the subsidy is equal to the price the City paid for the land minus the price at which the City sold the land to the developer, which in this case was \$180,000.



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What are the TIF “NIP” and TIF “SBIF” Programs?

TIF NIP and TIF SBIF: Key Facts

- Typically, it is nearly impossible for existing residents or small businesses to directly access TIF funds.
- The NIP and SBIF programs, for the first time, provide ways to give those stakeholders direct grants from TIF funds.
- While the programs are promising, so far they only affect a handful of neighborhoods.

What are the “TIF NIP” and “TIF SBIF” Programs?

The Neighborhood Investment Program (“NIP”) and Small Business Investment Fund (“SBIF”) are pilot programs that the City of Chicago developed in an attempt to allow more people to benefit from the TIF program. The programs provide grants or loans to homeowners or small businesses to allow them to make certain types of exterior and health and safety repairs to their properties.

Why is it necessary to create a special program? Because of the way the City used the TIF program in the past, it was very difficult for long-time residents and small businesses in a TIF to get direct access to TIF funds. There are two main reasons why. First, the City tried to get the most “bang for its buck” when it comes to TIF subsidies. That has meant that it prefers to negotiate with developers for a few large projects rather than many small ones. So, for example, neighborhood residential and commercial TIFs tend to favor large developments on big pieces of vacant land – projects such as shopping centers, grocery stores, “big box” retail, or multi-unit housing developments. Secondly, each TIF subsidy (known as a “redevelopment agreement”) has to be approved by the Community Development Commission and the City Council. Passing dozens of ordinances for each individual homeowner or small businesses that wanted to use TIF dollars for improvements to their property would be too time consuming. ***NIP and SBIF provide vehicles for delivering multiple small grants to local residents and businesses without writing hundreds of individual redevelopment agreements.***

The City has gradually recognized this problem, and is testing the NIP and SBIF programs in several neighborhoods.

How TIF NIP Works

NIP provides direct grants to homeowners or the owners of multi-unit buildings to make exterior repairs or fix interior health and safety problems. Residential property owners who are interested in the program apply to a private agency working under contract with the City, which then selects who will receive the grants. There are two categories in the program: the single family category (which includes two-, three-, and four-flats where the owner lives on the property), and the multi-family category (which applies to larger apartment buildings).

Who is Eligible for the Program?

To be eligible for the single-family NIP, the property owner must have lived in the property for at least three years and have an income of no more than 120 percent of the City’s median income (with median income for a family of four currently at \$75,400, the 120 percent figure is \$90,480). For the multi-family

NIP, an eligible building must contain at least five units, and must be occupied by individuals or families that earn no more than 80 percent of the City’s median income (which is currently about \$60,320 for a family of four).

How Big Are the TIF NIP Grants?

For the single-family program, the size of the grant varies based on the number of units on the property (in other words, whether it’s a two-flat, three-flat, or four-flat):

Type	Grant Amount
Single Family	\$10,000
Two-Flat	\$12,500
Three-Flat	\$15,000
Four-Flat	\$17,500

Larger buildings in the multi-unit program can receive grants of up to \$5,000 per unit, with a maximum grant of \$50,000 for a single building.

What Can the Money Be Used For?

Funds can be used for exterior improvements and rehabilitation (including roofs, windows and doors, porches and brickwork), and some interior health and safety improvements. No more than 30 percent of the funds can be used on interior improvements.

Where Does the Money Come From?

Because most TIFs take at least several years before they generate “increment” – the “money in the bank” that can be used for redevelopment – the City borrows money to fund the first round of the TIF NIP program. Local banks put up the funds in the form of a “note” that the City repays with interest over a 10-year period from the revenues generated by the TIF.

Where Has the Program Been Used?

So far, both the Bronzeville and Woodlawn TIFs have used the TIF NIP program. Each TIF district received \$1 million to distribute among homeowners and apartment building owners. The City expanded the NIP program in the Albany Park and South Chicago TIF.

What Are the Strengths and Weaknesses of the Program?

The NIP program is a promising development because, for the first time, it provides a way for residents to directly access TIF funds. It is not perfect, however. First, while \$1 million seems like a lot of money, high levels of need in many neighborhoods means the money disappears quickly and many people might not have a chance to benefit from it. Second, the program relies on the City being able to convince private banks to loan the money. The City could, in many cases, provide some of that money from general tax revenues and get paid back later as the TIF begins to make money. So far, there are only a few neighborhoods that have benefited from the program, and City Hall has no plans to rapidly expand it to all residential TIFs in the City.

Who Administers the Program?

The NIP program is administered by private agencies who are under contract with the City:

- For more information about the **single-family** NIP, contact: **Neighborhood Housing Services** (800-456-0982).
- For more information about the **multi-family** NIP, contact: the **Community Investment Corporation** (312-258-0070).
- For both single-family and multi-family Albany Park NIP programs, contact the **Albany Park Community Center, Inc., 773-539-3828**.

How Does TIF SBIF Work?

The Small Business Investment Fund program is similar to the NIF, though it is directed at small business owners located within a TIF.

Who is Eligible for the Program?

The SBIF program is open to small businesses who own their property and are located in one of the TIF districts eligible for the program. The SBIF can be used both in retail/commercial areas and for small manufacturers in industrial corridors. To be eligible, commercial businesses cannot have sales greater than \$1.5 million over the past three years. Industrial businesses must have fewer than 40 employees to qualify. Businesses must have sufficient resources to match the City grant (see below).

How Big Are the Grants?

Grants are given for up to half the cost of the planned improvements, with a maximum grant of \$50,000 per company. Businesses are reimbursed for their costs **after** the project is complete. Companies must match the grant dollar-for-dollar with their own funds.

What Can the Money Be Used For?

SBIF funds can be used for such rehabilitation or remodeling expenses as roof and façade improvements, signs or awnings, projects that help the business comply with the Americans With Disabilities Act, environmental clean-up, certain beautification projects that also benefit the general public, and improvements to the building's heating, cooling, and mechanical systems. SBIF grants cannot be used for: new construction, painting or other minor repairs, equipment, interior improvements to residential units on the property, or security fencing.

Where Does the Money Come From?

Like the NIP program, money for the SBIF comes from loans to the City from private banks that are then repaid with future property tax revenues (increment) from the TIF.

Where Has the SBIF Program Been Used?

So far the SBIF program has been used in three areas: the Kinzie Industrial TIF (\$1,000,000), the 71st/Stony Island Commercial TIF, (\$350,000) and the Jefferson Park Commercial TIF (\$750,000). There are plans underway to expand the SBIF program to the Stony Island Commercial/Burnside Industrial TIF, the Devon/Western TIF, the Midwest TIF, the 111th/Kedzie TIF, Clark/Ridge, Devon Avenue and the Clark/Montrose TIF.

What Are the Strengths and Weaknesses of the Program?

The strengths and weaknesses of the SBIF program are very similar to those for the NIP. On the plus side, the SBIF allows small businesses to directly access TIF funds for the first time. On the down side, the program is still limited to only a few commercial and industrial areas, and does not contain adequate funds to meet the needs of the areas lucky enough to have the program. Moreover, because of the matching requirement, SBIF may not be helpful to a small start up business that is strapped for cash or has not yet established its creditworthiness.

Who Administers the Program?

As with the NIP program, a private agency – SomerCor 504 – administers the SBIF program and decides which applicants should receive funds on a first-come, first-served basis. SomerCor can be reached at 312-360-3161.



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How do TIFs affect industry and jobs in Chicago?

TIFs, Jobs and Industry: Key Facts

- TIF dollars can help neighborhood manufacturers to create good jobs for Chicago residents, as well as to fund job training programs.
- In addition to directly subsidizing new industrial development and expansion, TIF dollars can be used for infrastructure projects that benefit existing companies in Chicago's 22 recognized industrial corridors.

TIFs have become a key ingredient in Chicago's industrial retention and development strategy, with more than three dozen industrial TIFs already in place. A vibrant industrial sector can create living-wage jobs for Chicago residents, train the unemployed or underemployed for positions with higher wages and better benefits, and help insure a healthy and diverse tax base. TIFs can help retain manufacturing jobs and attract new companies by helping to prepare vacant industrial sites for new development (such as environmental clean-up or the demolition of vacant and outdated facilities), assist an existing company to expand their facilities, help fund job training or day care programs, and improve industrial infrastructure such as viaducts or streets.

In many cases, these TIFs are generating money for redevelopment more quickly than commercial or residential TIF districts – which means more money in the bank for industrial projects. Just as importantly, the industrial projects that have been funded with TIF revenues have generally attracted more private investment for every public dollar allocated than other types of development. These developments are good news for those who want the City to make a sustained commitment to responsible industrial development that benefits Chicago residents as well as the business community.

The State of Industry in Chicago

Chicago has 22 recognized industrial corridors. While Chicago still has a viable industrial base, some reports maintain that Chicago continues to lose large numbers of jobs, particularly in the manufacturing sector. A November 1998 study by the Woodstock Institute reports that Chicago lost 42,000 jobs – mostly in manufacturing – between 1991 and 1996. During the same period, Cook County's northwest suburbs and towns in DuPage County gained jobs (*Chicago Sun-Times*, November 25, 1998, p10).

On the other hand, experts agree that Chicago remains a place of great opportunity for industry. A March 1998 Arthur Andersen report commissioned by the City of Chicago's Dept. of Planning and Development predicted a bright future for Chicago industry, provided that the City makes a concerted effort to attract and retain industry (Arthur Andersen LLP Real Estate Services Advisory Group, *City of Chicago Industrial Market and Strategic Analysis*, March 1998). Chicago remains a national transportation hub by air, rail, and highway, the report finds, noting that the City's proximity to a large labor force is a major asset. The Andersen report forecasts potential increases in industrial property tax revenues of nearly \$220 million between 1998 and 2005, as well as the creation or retention of up to 31,000 jobs. The Andersen report states that industrial growth also can help spur development throughout the community:

Importantly, industrial development can be a major redevelopment tool for the City to use in restoring economic vitality to abandoned brownfield sites and blighted city neighborhoods. The assembly and cleanup of sites restores citizen and investor confidence in areas and *the attraction of expansion and new business brings the most essential ingredient of area redevelopment – new jobs* [emphasis added]. Industrial redevelopment complements residential and retail development by providing an economic base for the latter and by

allowing the revitalization of sites not appropriate for either retail or residential development (Arthur Andersen LLP Real Estate Services Advisory Group, *City of Chicago Industrial Market and Strategic Analysis*, March 1998, p25).

Where Are the City's Industrial TIFs?

As noted above, there are 22 recognized industrial corridors in Chicago:

Addison	Kennedy	Pulaski
Armitage	Kinzie	Ravenswood
Brighton Park	Knox	Roosevelt/Cicero
Burnside	North Branch	Stevenson
Calumet	Northwest Corridor	Stockyards
Elston/Armstrong	Peterson	Western/Ogden
Greater Southwest	Pilsen	
Harlem	Pullman	

There are 47 industrial TIF districts – some in each of the City's designated planning regions. Already, the 42 neighborhood industrial TIFs (five are in the Central area) have generated almost \$86 million in increment (the new property tax revenue that can be used for redevelopment). So far, the City has pledged \$213.2 million of TIF money to private developers and existing companies. These direct subsidies are expected to generate an estimated \$1.15 billion in private investment. That translates into almost \$5.40 in private investment for each TIF dollar promised. Over their 23-year lives, the City has estimated the budgets of these TIFs to top \$2 billion – including almost \$132 million for job training – although these funds will not be spent unless the TIFs actually create the revenue anticipated by the City.

Region	# of Industrial TIFs	Regional Totals				
		Increment	Budget	Job Training Budget	TIF Subsidies To Date	Private Investment To Date
Far South	5	\$1,728,523	\$407,700,000	\$24,500,000	\$25,600,000	\$126,941,802
North	8	\$14,778,301	\$283,217,000	\$14,360,000	\$21,799,226	\$110,159,080
Northwest	7	\$3,719,498	\$346,400,000	\$25,950,000	\$6,587,150	\$2,064,058
South	3	\$1,188,201	\$107,500,000	\$6,000,000	\$3,250,000	\$24,440,000
Southwest	15	\$49,508,139	\$573,689,000	\$27,450,000	\$105,979,121	\$609,555,198
West	4	\$15,067,652	\$376,351,517	\$33,600,000	\$50,025,000	\$278,058,432
Total	42	\$85,990,314	\$2,094,857,517	\$131,860,000	\$213,240,497	\$1,151,218,570

What Types of Industrial Projects Have Been Funded With TIF Dollars?

TIF dollars can be used to help existing companies expand their operations, lure new companies to come to Chicago, or help companies to relocate from another site within the City that is no longer viable. While TIF funds cannot be used to pay for the “bricks and mortar” costs of new industrial construction, they can help a company building a new facility by paying for costs such as land acquisition and preparation or assist with financing.

Below are redevelopment projects that have received TIF subsidies in Chicago's industrial TIF districts:

TIF District	Developer	Description	Date	TIF Assistance	Total Cost	Jobs Create	Jobs Retained
126 TH /Torrence	Center Point Properties Trust	Ford supplier park; Joint venture: Ford Motor Land Dev Corp. & Center Point Properties Trust; a dozen supplier companies \$85 M in roadway and infrastructure improvements		\$16,100,000		1000	0
35th/Halsted	Miracle LLC	Rehabilitate existing warehouse and distribution facility for Pepsi-Cola.	4/21/99	\$1,650,000	\$18,700,000	250	0
35th/Halsted	Trippe Manufacturing	Rehabilitate existing manufacturing facility.	7/29/98	\$1,600,000	\$8,990,000	0	370
43rd/Damen	Farley Candy	Relocate candy company's warehouse and distribution facilities.	8/3/94	\$3,000,000	\$11,000,000	200	0

TIF District	Developer	Description	Date	TIF Assistance	Total Cost	Jobs Create	Jobs Retained
45 th /Western	John Maneely Co., dba Wheatland Tube Co.	Expansion of Wheatland Tube Co.; build new warehouse	Awaiting Council Approval	\$1,800,000	\$23,000,000	35	200
72nd/Cicero	Tootsie Roll	Rehabilitate candy company's manufacturing, distribution, and warehouse facilities.	9/9/98	\$6,368,943	\$217,500,000	200	700
71 st /Stony Island	TIF SBIF Program/SomerCor 504	Direct grants to individual small businesses to make facility improvements.	7/21/99	\$350,000	\$350,000	NA	N
73rd/Kedzie	Nabisco Inc.	Install three new baking lines at existing Nabisco plant.	6/16/94	\$60,000,000	\$378,900,000	0	2000
Bloomingtondale/Laramie	Lakin General Corp.	Negotiated sale of 1815 N. Laramie to Lakin General Corp.; Lakin to build facility adjacent to current Lakin facility. Lakin paid appraised value for site.	Awaiting City Council Approval	City-backed industrial revenue bond		40	80
Addison North	WMS/Midway Games	Expand software company's operations.	12/15/99	\$2,287,150	\$4,351,208	50	255
Division/Hooker	Federal Express Corp.	Construct sorting and distribution facility.	7/10/96	\$2,200,000	\$12,964,215	45	330
Division/North Branch	River North Distributing	Construct new warehouse and distribution facility.	4/12/91	\$2,615,000	\$10,515,000	75	50
Eastman/North Branch	Essanay Studio and Lighting Co.	Construction of a new sound-stage production facility, repairs to water and sewer facilities, and repairs to seawall along the Chicago River.	6/14/95	\$381,532	\$2,909,532	0	8
Eastman/North Branch	Tru-Vue, Inc.	Rehabilitation of existing structure and construction of a 40,000 sq. ft. manufacturing building.	10/7/93	\$620,000	\$4,854,000	20	55
Goose Island	Gooseland Venture	Construct four new warehouse and distribution facilities.	7/7/99	\$1,358,000	\$14,928,460	150	15
Goose Island	Riverworks, LLC	Construct new Sara Lee bakery.	6/7/00	\$5,000,000	\$48,799,384	0	0
Goose Island	Republic Windows and Doors Inc	Expand window fabrication facility and office space.	9/11/96	\$9,624,694	\$36,987,715	202	408
Homan/Grand Trunk	Stellar Distribution	Construct warehouse and distribution facility.	4/13/94	\$518,836	\$3,224,936	30	0
Jefferson Park	TIF SBIF Program/SomerCor 504	Direct grants to individual small businesses to make facility improvements.	7/21/99	\$750,000	\$750,000	NA	NA
Kinzie Industrial	TIF SBIF Program/SomerCor 504	Direct grants to individual small businesses to make facility improvements.	7/21/99	\$2,000,000	\$2,000,000	NA	NA
Lake Calumet Industrial	Keebler	Keebler & Atlantic Financial Group --expansion of Keebler facility	5/02	\$2,000,000	\$18,300,000	0	321
Near West	Fogleson Development Corp./H2O Plus, Inc.	New corporate headquarters for H2O, including laboratory, manufacturing, and warehousing.	7/2/92	\$1,084,115	\$5,537,115	60	0
Northwest Industrial	Chicago Beverage Systems/Capital Realty/Vamderwood Realty	Chicago Bev will use 213,000 SF existing bldg. and add 400,000 SF	Awaiting City Council Approval	\$1,200,000	\$0	0	0

TIF District	Developer	Description	Date	TIF Assistance	Total Cost	Jobs Create	Jobs Retained
Pilsen Industrial	Chicago International Produce Market LLC	436,224 SF facility to be used as a warehouse and distribution facility for produce industry; two-phase project	3/28/01	\$9,000,000	\$58,440,129	0	0
Pilsen Industrial	Steiner Corp. (American Linen)	Construct 161,000 SF industrial linen supply company and rehab 10,000 SF of office.	10/31/01	\$3,560,000	\$25,238,110	0	0
Read-Dunning	Chicago-Read Dunning Joint Venture Limited Partnership	Redevelopment of former Chicago-Read Mental Health Center. Includes plans for an industrial park, a new ward yard, parking for Wright College, and some new residential development.	9/14/94	\$6,156,352	\$10,087,985	0	0
Read-Dunning	Eli's Chicago's Finest, LLC	Construct a production and distribution facility for Eli's Cheesecake.	2/8/95	\$1,300,000	\$8,537,000	25	105
Read-Dunning	The Alter Group, Ltd.	Environmental and engineering studies for former Chicago-Read Mental Health Center.	10/14/92	\$300,000	\$300,000	0	0
Read-Dunning	Eli's Cheesecake	\$500,000 Industrial Retention and Expansion Loan to add 14,800 sq. ft. addition to warehouse and manufacturing facility. No TIF funds.	9/27/00	\$0	\$1,000,000	50	0
Read-Dunning	Spectra Merchandising International, Inc.	The City of Chicago amended the TIF to include a 1.2 acre state-owned parcel, which it then purchased for \$300,000 and conveyed to Spectra at no cost for new facility in Chicago Industrial Tech Park.	5/17/00	\$300,000	\$300,000	0	0
River South	Wicklander Printing Campus Partnership	purchase property, plus agreement to redevelop to 50,000 SF building for mailing operations; 35,000 SF building for binding operations, and 26,000 SF parking lot	7/25/01	\$0	\$0	0	110
Sanitary Drainage & Ship Canal	National Wine & Spirits, Inc.	Rehabilitate warehouse and distribution facility.	2/10/93	\$4,460,000	\$14,160,000	0	0
Sanitary Drainage & Ship Canal	Hawthorne Realty Group	Redevelop 31-acre industrial park.	7/24/91	\$1,200,000	\$1,200,000	0	0
South Works Industrial	USX Corp./USX Realty Dept.	Designates USX as developer of whole CSX site; Sale of site for Solo Cup; USX also conveys parcels to city for roads and open space	5/2/01	\$8,943,739	NA	0	0
South Works Industrial	Solo Cup Corp.	Solo Cup to develop an industrial facility; a second facility may be built in future.	5/2/01	\$21,000,000	\$172,450,000	0	550

TIF District	Developer	Description	Date	TIF Assistance	Total Cost	Jobs Create	Jobs Retained
Southwest Industrial Corridor East	Gateway Park, LLC	Construct 660,000 sq. ft. of industrial space, mostly for StyleMaster, Inc., on former fly dumping site. Phase II includes 750,000 sq. ft. more industrial	6/9/99	\$14,000,000	\$44,159,127	300	0
Southwest Industrial Corridor West	Washington Street Aviation	ATA Airline Training center, and hotel/restaurant	Awaiting City Council Approval	\$24,000,000	\$110,296,000	200	0
Stockyards Industrial-Commercial	Culinary Foods, Inc.	Construct a 100,000 sq. ft. manufacturing and warehouse facility.	6/16/94	\$5,000,000	\$22,909,033	100	775
Stockyards Southeast Quadrant	OSI Industries, Inc.	Rehabilitate and expand meat processing facility.	6/10/96	\$2,045,370	\$14,687,000	194	497
Stockyards Southeast Quadrant	Luster Products, Inc.	Construct new manufacturing, warehousing, and distribution facility.	12/21/92	\$5,000,000	\$12,705,022	0	330
Stockyards Southeast Quadrant	Marina Cartage, Inc./Michael Tadin	Improvements to transportation/shipping company facilities.	2/7/96	\$1,135,972	\$4,543,888	5	175
West Pullman Industrial	Chicagoland Redevelopment Partners	Speculative industrial on 7.3 acre Brownfield site; Value of land write down: \$191,565; Class 6B	Awaiting City Council Approval	\$0	\$4,200,000	0	0
West Pullman Industrial	Quality Crouton	Land sale, write downs and 6B classification, no direct TIF assistance; Value of land write-down \$724,185	Awaiting City Council Approval	\$0	\$0	0	40
Totals				\$229,909,703	\$1,329,774,859	3,231	7,374

How Can Industrial TIFs Affect Job Training and Creation?

One of the most important ways for industrial development to benefit the City as a whole is through its ability to create good-paying jobs. Overall, the City reports that TIF deals are creating 12,767 jobs and retaining 21,289 more. As the above chart shows, 3231 of the new jobs and 7374 of the retained positions are in industrial companies. On the whole, jobs in the manufacturing sector tend to pay better wages and provide better benefits than the retail jobs created through many other TIF subsidies. In fact, the U.S. Dept. of Labor's Bureau of Labor Statistics reports that the average hourly manufacturing sector wage (including supervisors on down) is \$16.66, a third more than the \$11.44 for comparable retail sector jobs. Total compensation – including benefits, which are generally considered to be part of a worker's overall pay – averages \$24.30 per hour for manufacturing jobs compared to \$14.71 for retail positions (U.S. Dept. of Labor, Bureau of Labor Statistics, March 2001.)

In addition to the **type** of jobs that are being created, residents should also be concerned about **who** are getting these jobs. Preferably, low- and moderate-income residents of the TIF district – or at least Chicago residents – should get first access to jobs created with the City's TIF dollars. One effective way to accomplish this is for the City and the company receiving the TIF subsidy to work with a community-based organization to recruit job applicants from the surrounding community. For example, the New City YMCA LEED Council has been successful in matching low-income residents of the Near North Side with TIF-created jobs in the Goose Island industrial area.

Job Training

Community-based organizations can also play a major role in training Chicago residents for the new jobs available in TIF districts. State law allows TIF funds to be used for job training, as long as the people who

receive the training are employed by companies within the TIF. The estimated budgets for the 47 industrial TIF districts include \$164.7 million for job training over the 23-year lives of these districts, although there is no guarantee that the money will actually be spent for that purpose. Still, the size of the job training budgets – particularly in the newer industrial TIFs – indicates a real interest in the use of TIF dollars for workforce development.

So far, the City has interpreted the State law to mean that only companies that receive a TIF subsidy for other purposes (such as expanding their facility or building a new one) can receive job training dollars. ***The actual language of the State TIF law, however, only specifies that the programs be limited to “persons employed or to be employed by employers located in an economic project area.”***

The need to train unemployed Chicago residents, as well as incumbent workers in Chicago’s industries, has been pointed out by NCBG, industry councils, and other community-based organizations, which emphasize that creating career-path jobs for city residents is one of the strongest measures of true economic development, for which the TIF program was created.

During 2002, the Regional Manufacturing Training Collaborative (RMTC) and the Policy Research Action Group (PRAG), asked NCBG to act as a research partner in the preparation of a study on industrial sectors within Chicago’s TIF districts. The Study, “Job Training and Tax Increment Financing: Untapped Dollars for Chicago’s Manufacturing Sector” (May 2002), demonstrated that Chicago’s most important industrial sectors are represented strongly in industrial TIF districts, point to the need to target sectoral training as the most efficient use of TIF dollars for training both unemployed and incumbent workers. The model focuses community-based job training centers in each industrial corridor that would evaluate the personnel needs of local companies and gear their training programs to fill those job openings. The centers would recruit community residents, complete basic workforce preparation when necessary, and train workers in specific skills needed by employers within the TIF. A proven example is the Greater West Town Community Development Project woodworking training program which is able to serve a specific industry with relevantly trained workers.

The PRAG/RMTC study offered the following recommendations to the City and the Mayor’s Office of Workforce Development:

TIF Job Training Policy Statement

While TIFs are designed to return maximum benefit to the TIF itself, through an appropriately designed job training strategy, the benefit can be extended to nearby communities and the city as a whole, while still serving companies in the district. To achieve this benefit, we recommend a TIF job training policy based on the following principles:

1. To enhance the quality of the city’s labor pool, make TIF job training dollars available to train the unemployed and underemployed, as well as incumbent workers.
2. Establish as policy that all TIF agreements for industrial TIFs earmark at least 10% of the development budget for job training.
3. In a manufacturing environment where the average number of employees per firm is 50 or less, support a sectoral approach to training that prepares workers for employment in multiple companies in a particular industry.
4. Sustain and increase the city’s capacity for training over time by prioritizing funding for training programs/schools v. one company at a time.
5. Support training that integrates vocational skills with job readiness and language and math upgrades.
6. Support the full cost of training for the unemployed and underemployed which includes recruitment, assessment, case management, instruction, management of sectoral company relationships, and placement and retention assistance.
7. Since a fair evaluation of outcomes and benefits associated with comprehensive sectoral training requires a longer monitoring period than is now required, allocate funds to allow for that longer term follow-up by training organizations.
8. Provide training support for companies that meet a minimum set of standards for good business practice, that embrace the goal of family-support wages and strive to remain competitive.

9. Consider the value of hands-on training in the manufacturing sector and allow training dollars to cover the cost of investment in appropriate equipment.
10. Support the opportunities for self-sufficient, career track employment training in manufacturing for special populations such as women and ex-offenders.
11. Allow us to help create the most effective program by working with you to refine (TIFWORKS) and work out a user-friendly administrative structure.

Source: "Job Training and Tax Increment Financing: Untapped Dollars for Chicago's Manufacturing Sector," a study and policy statement of the Policy Research Action Group and the Regional Manufacturing Training Collaborative, in partnership with the Neighborhood Capital Budget Group, May 2002.

Such an approach would have advantages over the current company-specific model of job-training subsidies. Participants would learn hands on, real-world skills that are applicable to a broad range of companies. In other words, instead of just learning the policies and procedures of a specific company, trainees would learn basic skills marketable throughout an entire sector of the economy (such as, metals and metal fabrication, food, transportation, electronics, printing, paper, rubber, and woods, shipping and receiving, etc.). This skills-based approach would give job seekers much more flexibility to find good positions for which they are qualified. Moreover, companies in the TIF district would benefit from access to a better-trained workforce, encouraging retention and future expansion.

As of spring, 2002, the Chicago Department of Planning and Development and the Mayor's Office of Workforce Development, had introduced, for City Council consideration, the TIFWORKS program, which outlines a policy under which TIF dollars would be utilized for job training. NCBG, RMTTC, PRAG, and organizations such as the Cosmopolitan Chamber of Commerce, are actively working to influence the design of TIFWORKS so that it brings meaningful job training to both the residents and the businesses of Chicago.

Accountability

The overriding problem with the job-creation and training components of the TIF program is tracking their performance over time. It is virtually impossible, for example, to track job training dollars through the available public records. Discovering whether or not companies actually met the hiring agreements they made in their contracts with the City is usually just as difficult, and the City doesn't even collect data on whether low-income or City residents got the TIF-created jobs, how much those individuals were paid, or how many people have remained with the company after the initial hiring period.

To fix the problem, the City should take three steps:

1. **Spell out clear commitments.** Each company that receives a TIF subsidy must negotiate a "redevelopment agreement" with the City – essentially, a contract that spells out their rights and responsibilities in exchange for the public funds. In this contract, the City should require clear commitments from companies about how many people they will hire, how they will recruit local residents for those new jobs, what sort of job training program they will have, what the wage scale and benefits will be, how long they are required to retain those positions, etc.
2. **Establish detailed reporting procedures.** The City should be more vigilant in collecting the information it needs from companies to make sure they are complying with the commitments they have made.
3. **Set up strong mechanisms to enforce the companies' commitments.** If a company does not meet its hiring or job training goals, the City should have a clear way to compel it to meet its obligations, or else to take away the public subsidy. There are two ways the City could do this. First, it could simply stop payment on "pay-as-you-go" TIF redevelopment projects. In most cases, a company puts up its own money to complete a project and then is reimbursed from TIF funds as the revenue becomes available. In these cases, the City could simply suspend payments from the TIF fund until the company complies. Second, the City could establish "clawback" rules which actually would take back subsidies if companies don't live up to their promises. These rules already exist in places like Austin, Texas, New Haven, Connecticut, and the states of Ohio, Iowa, and Connecticut to penalize companies that receive public dollars and then move out of State. There is no reason that Chicago couldn't adopt them for companies that receive TIF subsidies.

TIFs and Industrial Infrastructure

TIF dollars can be used to make public works improvements in TIF areas, including infrastructure projects that benefit industry. There are two main types of infrastructure projects that benefit industry in Chicago: **industrial street improvements** and **viaduct clearance improvements**. Industrial streets are the roads that

directly serve companies or industrial corridors. When they are inadequate or in a state of disrepair, truck traffic often is diverted onto residential or commercial streets in the area. In extreme cases, deliveries and shipments are unable to reach the company at all. Similarly, many of Chicago's viaducts are too low for modern trucks. Deliveries and shipments have to take roundabout routes – often through residential neighborhoods – to reach their destination. When trucks get stuck under those viaducts, it touches off a traffic nightmare for the entire area. ***By improving the transportation routes to industrial corridors, the City can not only directly benefit companies but also help to improve relations between those manufacturing areas and the communities that surround them.***

So far, NCBG can track \$22.4 million in TIF revenues have been used for infrastructure improvements in Chicago's Industrial or mixed Industrial/Commercial (and sometimes Residential TIF districts). Of that figure, only \$8.5 million in TIF funds has been earmarked – although not all has as yet been spent -- for true industry-related infrastructure improvements in industrial areas, while \$13,661,170 has been spent in mixed industrial-commercial/residential districts on infrastructure projects that do not directly impact industrial companies or workers.

Infrastructure Projects Funded by TIF in Industrial Areas

Project	Project Type	Address	TIF Funds	TIF District	Completed?
Stockyards North Quadrant - Industrial Streets	Industrial Street Improvements	4100 S Packers Ave	\$1,551,000	Stockyards Industrial-Commercial	Yes
Stockyards North Quadrant - Industrial Streets	Industrial Street Improvements	1324 W 41st St	\$1,551,000	Stockyards Industrial-Commercial	Yes
Stockyards North Quadrant - Industrial Streets	Industrial Street Improvements	1300 W 42nd Pl	\$1,598,000	Stockyards Industrial-Commercial	Yes
Realignment of Root & Exchange @ Halsted	Intersection/Safety Improvements	4134 S Halsted St	\$128,000	Stockyards Industrial-Commercial	No
Cherry, Division - Weed (Chicago River)	Industrial Street Improvements	1201 N Cherry Ave	\$1,221,000	Goose Island	No
Cherry, Division - Weed (Chicago River)	Industrial Street Improvements	1100 W Eastman St	\$1,258,000	Goose Island	No
Cherry, Division - Weed (Chicago River)	Industrial Street Improvements	1100 W Blackhawk St	\$1,221,000	Goose Island	No
TOTAL INDUSTRY-RELATED INFRASTRUCTURE			\$8,528,000		
87th & Holland	Viaduct Clearance Improvements	8700 S Holland Rd	\$250,000	Chatham Ridge	No
Wabash Avenue Renovation Project - Wacker to Roosevelt - Loop Lighting - Engineering Only	Lighting	502-2300 S. Wabash Ave.	\$490,000	Near South	Yes
Prairie Ave. Historic District Park (Hillary Rodham Clinton Park)	Municipal Operating Facilities	1200 S. Wabash Ave.	\$2,000,000	Near South	No
State St. at 14 th St.	Traffic Signals	1400 S. State St.	\$117,770	Near South	Yes
Wabash Roadway Improvements	Major Street Improvements	1200 S. Wabash	\$100,000	Near South	Yes
Near South TIF District	Other Development Projects	100 - 200 E. Roosevelt Rd.	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects	1200-1600 S. Indiana	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects	200- 300 E. 14 th St.	\$2,190,680	Near South	Yes

Project	Project Type	Address	TIF Funds	TIF District	Completed?
Near South TIF District	Other Development Projects	200 – 300 E. 15 th St.	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects	1400 – 1500 S. Prairie	\$2,190,680	Near South	Yes
TOTAL NON- INDUSTRY-RELATED INFRASTRUCTURE		\$13,911,170			
TOTAL TIF-FUNDED INFRASTRUCTURE IMPROVEMENTS IN INDUSTRIAL OR MIXED INDUSTRIAL TIF DISTRICTS			\$22,439,170		

(For more information, see the NCBG fact sheet, “TIFs and Infrastructure,” p. 68)

Infrastructure projects generally only receive TIF dollars in older districts that have already generated a lot of money for redevelopment, or in TIFs where the City issued a bond to provide “front funding” -- a pool of money to spend on redevelopment activities. Unlike subsidies to companies or developers, which can be paid off over several years after construction is completed, some industrial projects may require expensive infrastructure improvements up front, before private redevelopment projects can begin. In industrial TIFs, the City needs to carefully weigh the option of issuing a bond, or at least coordinating the TIF’s strategic plan with other sources of funding. The City already has a five-year public works plan which includes State and Federal funds, along with local General Obligation Bonds. This money can be used to “front-fund” key infrastructure projects that could jump-start other redevelopment projects in the TIF. This approach has been used with Illinois FIRST dollars for the planned Ford development in the 126th/Torrence TIF, as well as for the new Solo Cup plant in the South Works Industrial TIF. While TIF funds can make a difference in making public works improvements, remember that they should **supplement** other public funding sources, not **substitute** for them.

Planned Manufacturing Districts:

Dealing With Competition From Residential Development

The resurgence of Chicago’s residential housing market is putting increasing pressure on much of Chicago’s industrial base, particularly in industrial areas near downtown or in neighborhoods where residential areas and industry exist in close proximity. Rather than converting older manufacturing buildings to make them suitable for today’s industry, many prime industrial sites are being converted into expensive residential lofts and condominiums. Once one industrial building converts to residential use, tensions often mount between these two conflicting land uses. Often, complaints from new residents about noise and truck traffic pressure other businesses to leave the area, taking good jobs with them.

Unless the City enforces strict adherence to its own land-use guidelines in industrialized areas, TIFs can fuel industrial displacement by subsidizing residential development in largely industrial TIF districts. While the City has promised to use TIF proceeds in Model Industrial Corridors to retain or expand manufacturing, the City has so far failed to issue bonds to provide up-front funding for improvements to the model corridors. Given the ease with which the City can amend TIF redevelopment plans — including changing land-use and zoning rules — there is no guarantee that these areas will retain their industrial character. PMDs prevent the sort of piecemeal, parcel-by-parcel zoning changes that can, over time, undermine the stability of Chicago’s recognizable industrial corridors.

One promising solution is to expand the number of “planned manufacturing districts,” known as “PMDs.” A PMD is a special zoning designation for a defined geographic area that limits the types of development that may occur in the area to industrial activity and other compatible land uses. PMDs can be an important tool for insulating industry from the pressures of residential development and ensure that Chicago maintains and expands its industrial base. Ultimately, that means more good jobs in Chicago.

Chicago currently has only five PMDs. Three of them are located along the North Branch of the Chicago River: Goose Island, the Elston Corridor, the Clybourn Corridor, and a new one at Chicago and Halsted. The fifth PMD is located in the Kinzie Industrial Corridor. Expanding the number of PMDs used in conjunction with industrial or mixed-use TIF districts could help alleviate tensions between potentially conflicting

industrial and residential developments, and ensure that TIF-funded redevelopment will actually be dedicated to industrial revitalization projects.

(For more information, see the NCBG fact sheet, “Planned Manufacturing Districts,” p. 63)

Chicago's Industrial Corridors

Corridor Name (Industrial Council)	Model Industrial Corridor?	Acres*	Boundaries (approximate)	TIFs
Addison (North Business and Industry Council)	Yes	198	Northwest Side: Along North Branch of the Chicago River, bounded by Belle Plaine Avenue on the north, Whipple Street on the west, George Street on the south, and Western Avenue on the east.	- Addison Corridor North - Western Avenue South (far western portion)
Armitage (Greater North-Pulaski Development Corp.)	No	371	Northwest Side: Bounded by Fullerton Avenue on the north, Cicero Avenue on the east, Bloomingdale Avenue on the south, and Oak Park Avenue on the west.	- Galewood/Armitage - Bloomingdale/Laramie
Brighton Park (Chicago Assn. Of Neighborhood Development Organizations)	No	390	Southwest Side: Along Grand Trunk Western Railroad, bounded by 47 th Street on the north, Lawndale Avenue on the west, 51 st Street on the South, and Western Avenue on the east.	Homan/Grand Trunk
Burnside (Southeast Chicago Development Commission)	Yes	272	Far South Side: U-shaped area bounded roughly by 83 rd Street on the north, Cottage Grove Avenue on the west, 99 th Street on the south, and Stony Island Avenue on the east.	Stony Island Commercial/Burnside Industrial
Calumet (Southeast Chicago Development Commission/Calumet Area Industrial Commission)	Yes	3447	Far South Side: Along Calumet River and Lake Calumet, bounded roughly by 95 th Street on the north, the Bishop Ford Expressway on the west, the City's southern border at 138 th Street on the south, and Avenue O on the east.	126th/Torrence - Lake Calumet Industrial
Elston/ Armstrong (North Business and Industry Council)	No	69	Northwest Side: Bounded by Metra Milwaukee District rail line on the east, Elston Avenue on the southwest, and Armstrong Avenue on the north.	None
Greater Southwest (Greater Southwest Development Corp.)	Yes	737	Southwest Side: Along Belt Railway (approximately 75 th Street), from Leavitt Street on the east to Cicero Avenue on the west.	- Greater Southwest Industrial (East) - Greater Southwest Industrial (West) 72nd/Cicero

* The acreage for the industrial corridor may be larger or smaller than the acreage for the TIF district(s), depending on the boundaries and numbers of the TIF districts that have been established.

Corridor Name (Industrial Council)	Model Industrial Corridor?	Acres*	Boundaries (approximate)	TIFs
				73rd/Kedzie
Harlem (Greater Southwest Development Corp.)	No	124	Southwest Side: Bounded by Harlem Avenue on the west, Oak Park Avenue on the east, 59 th Street on the north, and 63 rd Street on the south.	None
Kennedy (North Business and Industry Council)	No	68	Northwest Side: Bordered by Addison Avenue on the north, Kedzie Avenue on the east, and the Kennedy Expressway on the south and west.	Addison/Kimball
Kinzie (Industrial Council of Northwest Chicago)	Yes	675	West Side: Bounded by Division Street on the north, Halsted Street on the east, Lake Street on the south, and Central Park Avenue on the west.	Kinzie Industrial
Knox (North Business and Industry Council)	No	66	Northwest Side: Bounded by Lawrence Avenue on the north, Kostner Avenue on the east, School Street on the south, and Laverne Avenue on the west.	Portage Park
North Branch (New City YMCA LEED Council)	Yes	566	North Side: On Goose Island and along both banks of the North Branch of the Chicago River from Chicago Avenue on the south to Wellington Avenue on the north.	- Goose Island - North Branch (North) - North Branch (South) - Division/Hooker - Division/North Branch - Eastman/North Branch
Northwest Corridor (Greater North-Pulaski Development Corp./Bethel New Life)	Yes	763	West Side: Bounded by Fullerton Avenue on the north, Lake Street on the south, Pulaski Road on the east and Cicero Avenue on the west.	Northwest Industrial Corridor
Peterson (Pulaski/Peterson Industrial Council)	No	104	Northwest Side: Bounded by Peterson Avenue on the north, Pulaski Road on the east, Bryn Mawr Avenue on the south, and Rogers Avenue on the west.	Peterson/Pulaski
Pilsen (Eighteenth Street Development Corp.)	Yes	913	Southwest Side: Along Stevenson Expressway, bounded by 16 th Street on the north, Stewart Avenue on the east, Archer Avenue and 33 rd Street on the south, and Western Avenue on the west.	Pilsen Industrial
Pulaski (Greater North-Pulaski Development Corp.)	Yes	171	Northwest Side: Bounded by Belmont Avenue on the north, Spaulding Street on the east, North Avenue on the south, and Kostner Avenue on the west.	Northwest Industrial Corridor
Pullman (Southeast Chicago Development Commission/Calumet Area Industrial)	No	434	Far South Side: Bounded roughly by 103 rd Street on the north, King Drive on the west, 123 rd Street on the south, and the Bishop Ford Expressway on the east.	None

Corridor Name (Industrial Council)	Model Industrial Corridor?	Acres*	Boundaries (approximate)	TIFs
Commission)				
Ravenswood (Ravenswood Industrial Council/Jane Addams Resource Corp.)	Yes	68	North Side: Divided into two areas. One is along the Chicago and Northwestern Railroad from Irving Park Road to Lawrence Avenue; the second is bordered by Bryn Mawr Avenue on the north, the CNW tracks on the east, Balmoral Avenue on the south, and Hoyne Avenue on the west.	Small portions of the Western Avenue North and Western Avenue South TIFs
Roosevelt/ Cicero (Lawndale Business and Local Development Corp.)	Yes	1132	West Side: Bounded by the Eisenhower Expressway on the north, Central Park Avenue on the east, the Stevenson Expressway on the south, and Menard Avenue on the west.	Roosevelt/Cicero
Stevenson (Chicago Assn. Of Neighborhood Development Organizations)	No	855	Southwest Side: Bounded by the Stevenson Expressway on the north, Laramie Avenue on the west, 55 th Street on the south, and Western Avenue on the east.	Sanitary and Ship Canal
Stockyards (Back of the Yards Business Association)	No	1348	Southwest Side: Bounded by 35 th Street on the North, the Dan Ryan Expressway on the west, 47 th Street on the south, and Western Avenue on the west.	- Stockyards Commercial-Industrial - Stockyards Southeast Quadrant - Stockyards Annex 43rd/Damen 35th/Halsted
Western/Ogden (Eighteenth Street Development Corp./Agency for Metropolitan Program Services)	Yes	827	West Side: Bounded by Harrison on the north, Ashland on the east, the Stevenson Expressway on the south, and Central Park on the west.	Western/Ogden



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What are Planned Manufacturing Districts?

Planned Manufacturing Districts: Key Facts

- PMDs are areas that are specially zoned to preserve industrial land use and prevent piecemeal, parcel-by-parcel zoning changes.
- PMDs can be very useful for keeping jobs in the City by protecting companies that are facing strong pressure from nearby residential development.

What is a Planned Manufacturing District?

A Planned Manufacturing District (PMD) is a special zoning designation authorized by the City's overall zoning ordinance for specific geographic areas of the City. Within a PMD's boundaries, development is limited to industrial activity and other compatible uses. No residential development is allowed within a PMD under any circumstances, though other "special uses" may be permitted. Any contiguous area greater than five acres is eligible to become a PMD. In order to protect and support industrial development even further, the PMD designation also establishes stricter requirements for zoning changes. These rules are aimed at preventing piecemeal, parcel-by-parcel zoning variances, and thus at preserving the industrial character of the manufacturing corridor. The regulations governing planned manufacturing districts are found in Chapter 16-8 of the Chicago Municipal Code.

How many PMDs are there in Chicago?

Chicago currently has five PMDs, four of which are located along the North Branch of the Chicago River. The first three of these were established between 1988 and 1990: Goose Island, the Elston Corridor, and the Clybourn Corridor. In the summer of 2000, a fourth PMD along the Chicago River at Chicago Avenue and Halsted Street was established. The Kinzie Industrial Corridor established its PMD in April 1998.

Why are PMDs necessary for Chicago's industrial health?

The resurgence of Chicago's residential housing market is putting substantial pressure on Chicago's industrial base, particularly in industrial areas near downtown. Rather than converting older manufacturing buildings to make them suitable for today's industry, many developers are acquiring prime industrial sites to convert into expensive residential lofts and condominiums. Frequently, this change occurs incrementally, on a parcel-by-parcel, building-by-building basis.

Once one industrial building converts to residential use, tensions often begin to mount between conflicting land uses. Complaints from new residents about noise and truck traffic may pressure other businesses to leave the area, taking good jobs with them.

Without strong land-use guidelines, tax increment financing districts may accelerate these pressures on industry by subsidizing residential development in largely industrial TIF districts. While the City may initially promise to limit TIF-subsidized redevelopment only to industrial projects, PMD designation provides assurances that the City will not amend the TIF redevelopment plan to allow for non-industrial projects. *Expanding the number of PMDs — particularly within industrial or mixed-use TIFs — can be an important tool for insulating industry from the pressures of residential development and ensure that Chicago maintains and expands its industrial base. Ultimately, a more stable industrial base will mean more good jobs in Chicago.*

It is important to note, however, that PMDs may not be necessary for every industrial area in the City. Industrial corridors that are not experiencing the pressures of nearby residential or commercial development benefit less from PMDs than areas facing a large number of industrial conversions. Establishing a PMD involves substantial time and effort, and industrial areas that don't have to compete with other types of development might benefit more by devoting their attention to other development tools instead.

What is the process for designating a PMD?

1. The Dept. of Planning and Development oversees the creation of PMDs. The process of designating a PMD begins in one of three ways:
 - The Mayor may submit a written application to DPD requesting the creation of a PMD.
 - Any property owners within the boundaries of a proposed PMD may submit an application to DPD.
 - The alderman of a ward in which a proposed PMD is located may submit an application to DPD.
2. DPD is required under the municipal code to hold a community meeting on the proposal in the ward in which the proposed PMD is located *before* scheduling a formal public hearing. DPD must notify the alderman of the meeting and publish a written notice in a local newspaper.
3. The Chicago Plan Commission must hold a public hearing on the proposed PMD to determine the viability of the area as an industrial district and the need for planned manufacturing district status. The Plan Commission must post notice of the hearing in local newspapers, and must inform all property owners in the proposed area of the hearing. Property owners within 250 feet of the proposed PMD must also be notified of the hearing.
4. If the Plan Commission approves the PMD, it goes to the City Council for approval.
5. After a PMD has been approved, the Plan Commission must periodically review the effectiveness of the PMD in achieving its stated goals. The Plan Commission may recommend that the City Council amend or repeal the PMD.

Source: Chicago Municipal Code, Chapter 16-8-050 through 16-8-060

How does the Chicago Plan Commission evaluate a PMD proposal?

The Plan Commission must review a proposed PMD on two different fronts. **First, the commission must determine that the area is a viable industrial district.** To determine this, the Plan Commission looks at:

- The size of the district;
- The number of existing firms and employees that would be affected;
- The nature and size of recent and planned public or private investments in the area;
- The potential of the proposed area to support additional industrial uses and more manufacturing jobs;
- The proportion of land in the proposed district already used for industrial purposes;

- The importance of the area to the City as an industrial district; and
- The proportion of property owners and other affected land users that testify for or against the proposal at the public hearing.

Second, the Plan Commission must consider whether the area needs a PMD designation in order to remain a healthy manufacturing area. To determine this, the commission looks at:

- Evidence of conflict between industrial- and non-industrial land uses in the district, including the replacement of industrial facilities with non-manufacturing facilities such as residential units.
- Demand for zoning changes within the area that would be incompatible with the manufacturing uses.

Source: Chicago Municipal Code, Chapter 16-8-060

Once the PMD is established, how does the City handle requests to change the zoning?

Virtually the only way to build an incompatible development in a PMD is to repeal the PMD entirely. That does not mean, however, that every property in the PMD must be industrial. A restaurant, service station, or other commercial use that caters to the needs of those who work may be allowed as a “special use.” As noted before, however, all residential development within the PMD is forbidden. Existing residential properties are not removed, but are phased out over time.

Any application to change the zoning for a particular parcel of land must go through the Chicago Zoning Board of Appeals. When considering a land use change within the PMD, the Zoning Board must consider the effect of the change on:

- Existing manufacturing activities, including the potential for land use conflicts and nuisance complaints;
- The number and type of jobs in the district;
- Real estate values and taxes;
- Traffic flow and parking;
- Efforts to market the property for industrial use.

The North River PMDs: A Case Study

In the mid-1980s, the industrial corridor that ran along the North Branch of the Chicago River faced a crisis. Its convenient location — just about two miles northwest of downtown Chicago — made it a prime candidate for developers hoping to build new residential and commercial developments with easy access to the Loop and North Michigan Avenue. This development pressure threatened to displace existing industry — and the jobs that went along with it. The prospect that these new developers would pay a premium price to get hold of the land provided a strong incentive for businesses to sell their properties at a profit and move elsewhere.

As some residential and commercial development began to move into the industrial corridor, tensions arose between the competing land uses. Some companies began to look elsewhere for a congenial environment in which to do business. Faced with these powerful pressures, many Goose Island businesses — along with the New City YMCA’s Local Economic and Employment Development (LEED) Council and representatives of the City — joined together in August 1989 to find a solution. The first step was to organize to get key capital improvements in the area that would benefit existing companies and help attract new industrial development. Then, as part of the Model Industrial corridor strategic planning process, stakeholders identified a long-term blueprint for continuing to improve the corridor – including the creation of a PMD. The LEED Council estimated in its 1996 *North River Industrial Corridor Strategic Plan* that there are about \$76 million in planned or completed infrastructure investments in the corridor, including major projects such as the reconstruction of the Division Street Bridge and the reconstruction of North Branch Street. Finally, to implement the plan, the corridor began looking to other

tools that could help implement the plan, including possible funding from TIFs and the Empowerment Zone.

The Clybourn Corridor PMD: The Clybourn Corridor was the first PMD. The *North River Industrial Corridor Strategic Plan* recounts how the land uses and population base of this neighborhood changed over the years. The area along Clybourn Avenue had been predominately industrial since the late 1800s, and those who worked in the area factories tended to live in residential areas immediately east of the corridor. As Lincoln Park expanded in the 1970s and 1980s, many of these industrial workers were replaced with white-collar employees who worked downtown or in the suburbs. This gentrification prompted the construction of more expensive new housing stock and began to exert pressure on the neighboring industrial areas [New City YMCA LEED Council & Sonoc/Hutler/Lee LTD, *North River Industrial Corridor Strategic Plan*, December 9, 1996, p8-9 to 8-9].

The tensions between industrial, commercial, and residential land uses in the Clybourn Corridor came to a head in 1983, according to the strategic plan:

In 1983, the first zoning changes for conversion from an industrial to a residential use was requested on Clybourn Avenue. Until that time, Clybourn Avenue was much like Elston Avenue is today, with factories lining both sides of the street. The zoning change was approved and an old piano factory was converted into the Clybourn Lofts residences. This conversion opened the floodgates. Before long, buildings available for sale were priced for residential, office, and retail conversion, not for use as factories [*North River Industrial Corridor Strategic Plan*, p8-9].

By August 1986, the LEED Council, the City's Dept. of Economic Development, and the Center for Urban Economic Development at the University of Illinois at Chicago had completed an initial study of the economic conditions in the Goose Island/North River industrial corridor. That report concludes that "displacement is a result of huge rent increases, in some cases more than 150 percent, harassment, the breaking of leases, and indirect causes such as property tax increases, lack of parking, conflict with new residents, and extravagant purchase offers." The report goes on to sketch the outlines of what would become the first Planned Manufacturing District [New City YMCA, City of Chicago Dept. of Economic Development, and the Center for Urban Economic Development at the University of Illinois at Chicago, *Business Loss or Balanced Growth: Industrial Displacement in Chicago*, August 1986, p2].

The Goose Island PMD: The Goose Island PMD has been the most active of the three special manufacturing districts established in the North River Industrial Corridor. The PMD evolved for many of the same reasons that fueled the creation of the Clybourn manufacturing district: nearby residential and commercial development, land speculation, and rising property values. The uncertainty of the corridor's future took its toll on basic infrastructure investment, which in turn made the area less attractive to existing tenants. "Before the City of Chicago created three PMDs in the North River Model Industrial Corridor, land speculation in parts of the corridor made the future of industry uncertain," states the strategic plan. "The City was hesitant to make infrastructure improvements to support existing and new industry until the industrial future of the corridor was clear."

But the relative success of Goose Island has not come without a struggle. Plans for a 42-acre industrial park on a stretch of vacant land surfaced as early as 1987, when then-Mayor Harold Washington's Administration proposed a plan to lure industry to the area. One of the key properties in the PMD was a 26-acre parcel of vacant railroad land that had been purchased by CMC Realty Corp., a group of private investors who sought to develop the land. By July 1988, plans for the industrial park had been put on hold, in part because of rapidly rising land prices on Goose Island. The sharp increase in property values — fueled by real estate interests hoping to convert the island into higher-end retail and residential districts — had some business owners wondering if they should sell at a profit and relocate elsewhere.

Development in the industrial park proceeded slowly, but began to accelerate once four TIF districts (including the Goose Island and the Division/Hooker TIFs) were put in place. **The LEED Council estimates that the Goose Island PMD has attracted almost \$123 million in private investment to Goose Island alone. Much of the success of the district must be attributed to the benefits of these two tools — PMDs and TIFs — working together.** Without the PMD, the City may not have been able to ensure that Goose Island remained a manufacturing district that provides good jobs for Chicago. The TIF revenues may very well have been used to subsidize the residential and commercial development that threatened to push industry out of the North River Corridor entirely. But without the TIF, the City may not have been able to muster the political will to fund the needed infrastructure improvements or facilitate the development of vacant properties in the area.

Overview of the North River Industrial Corridor's Planned Manufacturing Districts

		Goose Island PMD	Clybourn Corridor PMD	Elston Corridor PMD
Acres		146	115	170
Year PMD Established		1990	1988	1990
TIF District(s)		Goose Island Division/Hooker Eastman/North Branch Division/North Branch	North Branch South	North Branch South North Branch North
Total Private Investment		\$122.6 million	\$6,100,000	\$40,352,000
	New Facilities	10 (\$116,600,000)	0	5 (\$18,000,000)
	Expansions	1 (\$5,000,000)	3 (\$6,100,000)	1 (\$72,000)
	Other Private Investments	1 (\$1,000,000)	0	3 (\$22,280,000)
Jobs Created		490-495	85	400-450
Jobs Retained		967	0	154
Top Five Private Investments		Sara Lee Republic Windows & Doors Federal Express Jetro Cash and Carry River North Distributing	A Finkl and Sons Lakin and Sons General Irons	Chicago Paperboard Home Depot Palumbo Brothers Ozinga Brothers

Sources: New City YMCA LEED Council & Sonoc/Hutler/Lee LTD, *North River Industrial Corridor Strategic Plan*, December 9, 1996, and supplemental data provided by the LEED Council.



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Can you pay for
public works
projects with TIFs?

TIFs and Infrastructure: Key Facts

- Public works projects, including school and park improvements, can be paid for with TIF funds.
- TIF dollars should be used to supplement existing public works and infrastructure spending, not as a substitute.
- Well-planned infrastructure improvements can be an effective way for TIFs to benefit existing residents and small businesses.

Public works projects – such as road improvements, streetscaping, school construction and repair, and park improvements – are all eligible TIF costs. In fact, the estimated project budgets for the first 101 TIFs set aside up to \$1.92 billion for public works projects over the 23-year lives of these districts. About \$113 million has already been allocated.

Infrastructure improvements are among the best ways to spread the potential benefits of TIFs to those who already live, work, or run a businesses inside the district. Repairs to industrial streets and viaducts help to keep businesses – and the jobs they create – in Chicago. Without adequate transportation to their companies, it is often difficult or impossible to receive and make shipments – a life or death issue for a manufacturer. Improvements to a commercial area – such as streetscaping or sidewalk repair – can make the area more desirable to potential customers, as well as to new companies that may hope to locate in the area. Park and school improvements can make a neighborhood a better place to live and raise children.

Public works projects can even help residential, commercial, and industrial areas to peacefully co-exist and eliminate the tension among competing land uses. Landscaping projects, for instance, can shield residential neighborhoods from the activity in commercial and industrial areas, and properly constructed industrial streets and viaducts direct truck traffic away from residential and commercial streets and onto the main arterial roads.

Supplement, Not Substitute

Tax Increment Financing is supposed to represent a targeted, intensive investment strategy to help revitalize a specific area. **TIFs are not supposed to take the place of existing forms of public investment.** The City of Chicago each year publishes its Capital Improvement Program (CIP) – a five-year plan that contains a wide range of infrastructure and economic development projects paid for out of local, state, and federal revenues. While in some cases, it might make sense to pay for some projects in the CIP out of TIF funds, the TIF shouldn't be expected to carry the entire burden by itself. Most TIFs don't begin to generate substantial

TIF Funds Allocated for Infrastructure:

Industrial Areas:	\$ 8,778,000
Commercial Areas:	\$243,649,183
Residential Areas:	\$ 28,696,170
Total Allocations:	\$281,123,353

**Total Budget for Public Works Projects in
TIF Redevelopment Plans (121 TIFs):
\$1,923,118,110**

new money for redevelopment until they are at least five years old. That means there are a lot of priorities competing for a relatively small pool of money. In those early years of a TIF, when money is especially tight, infrastructure improvements funded from the City's general revenues can be an effective way to "jump start" activity in the TIF in a way that can benefit existing residents and businesses.

(For more information, see NCBG's fact sheet, "What is the City of Chicago's CIP?", p. 160)

Industrial Infrastructure in TIFs

There are two main types of infrastructure projects that benefit industry in Chicago: **industrial street improvements** and **viaduct clearance improvements**. Industrial streets are the roads that directly serve companies or industrial corridors. When they are inadequate or in a state of disrepair, truck traffic often is diverted onto residential or commercial streets in the area. In extreme cases, deliveries and shipments are unable to reach the company at all. Similarly, many of Chicago's viaducts are too low for modern trucks. Deliveries and shipments have to take roundabout routes – often through residential neighborhoods – to reach their destination. Often, trucks get stuck under the viaducts, touching off a traffic nightmare for the entire area.

In 1996, 12 of the City's industrial corridors developed "Model Industrial Corridor" plans that targeted infrastructure projects that are key to their future success and established long-term strategies for growth. Most of these areas have since become TIFs. By using a combination of TIF funds and general City revenues to fast-track the top remaining priorities in the Model Industrial Corridor plan, industrial infrastructure improvements can be a catalyst for the creation of quality jobs.

Infrastructure Projects Funded With TIF Revenues in Industrial Areas

Project	Project Type	Address	TIF Funds	TIF District	Completed?
Stockyards North Quadrant - Industrial Streets	Industrial Street Improvements	4100 S Packers Ave	\$1,551,000	Stockyards Industrial-Commercial	No
Stockyards North Quadrant - Industrial Streets	Industrial Street Improvements	1324 W 41st St	\$1,551,000	Stockyards Industrial-Commercial	No
Stockyards North Quadrant - Industrial Streets	Industrial Street Improvements	1300 W 42nd Pl	\$1,598,000	Stockyards Industrial-Commercial	No
Cherry, Division - Weed (Chicago River)	Industrial Street Improvements	1201 N Cherry Ave	\$1,221,000	Goose Island	No
Cherry, Division - Weed (Chicago River)	Industrial Street Improvements	1100 W Eastman St	\$1,258,000	Goose Island	No
Cherry, Division - Weed (Chicago River)	Industrial Street Improvements	1100 W Blackhawk St	\$1,221,000	Goose Island	No
87th & Holland	Viaduct Clearance Improvements	8700 S Holland Rd	\$250,000	Chatham Ridge	No
Realignment of Root & Exchange @ Halsted	Intersection/Safety Improvements	4134 S Halsted St	\$128,000	Stockyards Industrial-Commercial	No
Total			\$8,778,000		

(For more information, see NCBG's Fact Sheet, "TIFs, Jobs and Industry," p. 51)

Commercial Infrastructure in TIFs

Infrastructure can also help to revitalize commercial areas. Basic repairs to the streets and sidewalks in a neighborhood commercial district can make an area more appealing to customers and prospective businesses, as can streetscaping projects that make the area more attractive and accessible. In addition to beautification, lighting, street, and sidewalk improvements, streetscaping projects can improve parking in

an area or help to manage traffic flow. These improvements can help attract new businesses to vacant properties in the area, but they can also help existing small businesses. As the following table of TIF-funded infrastructure projects in commercial areas shows, the vast majority of TIF funds have, thus far, been spent or committed in central area districts.

Infrastructure Projects Funded With TIF Revenues in Commercial Areas

Project	Project Type	Address	TIF Funds	TIF	Completed ?
Misc. Transit Projects - Central Loop	Transit	Various Locations	\$24,000,000	Central Loop	Yes
Michigan Ave., Randolph to Congress - Ornamental Lighting	Lighting	150 N to 500 S Michigan Ave	\$14,900,000	Central Loop	Yes
Randolph/Washington Station	Transit	150 N State St	\$13,500,000	Central Loop	Yes
State St., Wacker To Congress (Development Project)	Other Development Projects	340 N State St to 500 S State St	\$10,553,400	Central Loop	Yes
Randolph, Wacker to Michigan Loop Lighting	Lighting	100 E to 360 W Randolph St	\$7,585,000	Central Loop	Yes
Lake St., Michigan to Wacker Drive - Ornamental Lighting	Lighting	100 E Lake St to 360 W Lake St	\$5,069,000	Central Loop	Yes
Cultural Arts Resource Center	City Office Buildings	70 E Randolph St	\$3,050,000	Central Loop	Yes
Couch, Dearborn/State & Benton, State/Wabash - Loop Lighting	Lighting	Various Locations	\$2,400,000	Central Loop	Yes
Van Buren, Wabash to Wells Ornamental Lighting	Lighting	45 E to 220 W Van Buren St	\$2,265,583	Central Loop	Yes
Central Loop -- Park Improvements	Other Development Projects	Various Locations	\$2,000,000	Central Loop	Yes
Lower Wacker Dock Wall Removal	Bridge Improvements	150 W Wacker Dr	\$1,500,000	Central Loop	Yes
Madison, Halsted to Racine - Lighting	Streetscaping	800 to 1200 W Madison St	\$1,365,000	Near West	No
Streetscaping for United Hellenic-American Congress	Streetscaping	Madison & Green Streets	\$1,330,000	Near West	Yes
Dearborn Subway - Lake/Wells Mezzanine & Lake Platform	Transit	200 N Dearborn St	\$1,200,000	Central Loop	Yes
New District 1 Police Station	Police/Intergovernmental Agreement with Public Buildings Commission	1718 S. State St	\$1,200,000	River South	Yes
38th Ward Yard - Rehab of Existing Building	Municipal Operating Facilities	2817 N Natoma Ave	\$1,100,000	Fullerton/Normandy	Yes
Randolph Street, Halsted to Kennedy Expressway	Lighting	700 to 800 W Randolph St	\$1,025,000	Near West	No
LaSalle, Wacker to Jackson Ornamental Lighting	Lighting	Various Locations	\$1,273,000	Central Loop	Yes
Randolph, Kennedy Expwy to Ogden (Median/Lighting/Landscaping)	Streetscaping	700 to 1438 W Randolph St	\$781,000	Near West	Yes
Halsted, Madison to Van Buren	Streetscaping	1 to 400 S Halsted St	\$700,000	Near West	Yes
El Structure @ Wells/Randolph	Lighting	150 N Wells St	\$660,000	Central Loop	Yes

Project	Project Type	Address	TIF Funds	TIF	Completed ?
Wabash Avenue Renovation Project - Wacker to Roosevelt - Loop Lighting - Engineering Only	Lighting	501 S Wabash Ave	\$580,000	Central Loop, Near South	No
Exterior Lighting for Harold Washington Library	Library	400 S State St	\$350,000	Central Loop	Yes
Washington at Sangamon	Traffic Signals	932 W Washington Blvd	\$243,600	Near West	Yes
Vaulted Sidewalk Repair - 630 N Wabash	Sidewalk Construction	630 N Wabash Ave	\$218,600	Central Loop	No
Washington at Morgan	Traffic Signals	1000 W Washington Blvd	\$125,000	Near West	Yes
Master Loop Lighting Project - Design Only	Lighting	Various Locations	\$120,000	Central Loop	No
Loop Alley Lighting	Lighting	Various Locations	\$100,000	Central Loop	No
LaSalle, Wacker to Washington (Median Landscaping)	Streetscaping	100 to 340 N LaSalle St	\$94,000	Central Loop	Yes
North Loop Redevelopment	Other Development Projects	32 W Randolph St (Oriental Theater)	\$15,932,000	Central Loop	Yes
North Loop Redevelopment	Other Development Projects	0 to 200 W Lower Wacker Dr	\$15,932,000	Central Loop	Yes
North Loop Redevelopment	Other Development Projects	177 N State St (Chicago Theater)	\$15,932,000	Central Loop	Yes
North Loop Redevelopment	Other Development Projects	190 N Dearborn St (Selwyn-Harris Theaters)	\$15,932,000	Central Loop	Yes
North Loop Redevelopment	Other Development Projects	32 N State St (Reliance Building)	\$15,932,000	Central Loop	Yes
Central Loop – Acquisition/Demolition/Site Prep	Other Development Projects	Various Locations	\$12,501,000	Central Loop	Yes
111 W. Van Buren – Vaulted Sidewalk Repair	Sidewalk Construction	111 W. Van Buren	\$200,000	Central Loop	No
Jones Academic High School addition and improvements	Intergovernmental Agreement with Chicago Public Schools	State and Harrison	\$52,000,000	Near South	Yes
Total			\$243,649,183		

(For more information, see NCBG's fact sheet, "TIFs and Small Business," p. 52)

Residential Infrastructure in TIFs

Basic neighborhood infrastructure projects – such as streets, sidewalks, alleys, sewers, and water mains – are typically funded through the City's general revenues. General obligation bonds, sewer and water fees, and other City funds do – and should – pay for the basic infrastructure needs of our neighborhoods (though the City does not tend to invest in these projects as much as it should). Still, there is a role for TIFs in neighborhood infrastructure, particularly when it comes to specialized economic development projects or municipal facilities such as schools, parks, or libraries. As with commercial and industrial infrastructure, the key is to identify the public works projects that can help fast-track other revitalization activities in the neighborhood, then get those funded either through the TIF program or other public revenues. Again, the most important concept is supplement, don't substitute.

Infrastructure Projects Funded With TIF Revenues in Residential Areas

Project	Project Type	Address	TIF Funds	TIF	Completed ?
Jenner School improvements and construction of Walter Payton magnet high school	Intergovernmental Agreement with Chicago Public Schools	Jenner: 1009 N. Cleveland Payton: 1034 N. Wells St	\$11,125,000	Near North	Yes
Prairie Ave. Historic District Park (Hillary Rodham Clinton Park)	Municipal Operating Facilities	1821 S Indiana Ave	\$2,000,000	Near South	No
Seward Park Expansion	Intergovernmental Agreement with Chicago Park District	375 W. Elm St.	\$3,200,000	Near North	Yes
New Park	Intergovernmental Agreement with Chicago Park District and Public Buildings Commission	1450 S. Wabash Ave.	\$1,300,000	Near South	Yes
Near South TIF District	Other Development Projects*	100 E Roosevelt Rd	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects*	200 E 14th St	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects*	200 E 15th St	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects*	1400 S Prairie Ave	\$2,190,680	Near South	Yes
Near South TIF District	Other Development Projects*	1200 S Indiana Ave	\$2,190,680	Near South	Yes
State St. at 14 th St.	Traffic Signals	1400 S. State St.	\$117,770	Near South	Yes
Total			\$28,696,170		

* These include various infrastructure improvements along Wabash Avenue to support the development of the Central Station residential area.

(For more information, see NCBG's fact sheets, "TIFs and Housing," p. 31 and "TIFs and Schools," p. 73, and the NCBG report, "Back To Basics: Fairness and Accountability for Our Neighborhood Public Works," available at www.ncbg.org.)

Have TIFs Helped to Rebuild Neighborhood Infrastructure?

As you can see from the preceding charts, the lion's share of new infrastructure spending paid for by TIFs has been in the older TIF districts in the Central City. So far, TIFs have not provided a significant source of funding for neighborhood infrastructure projects in most TIFs.



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How do TIFs affect schools?

TIFs and Schools: Key Facts

- TIF dollars can be used to repair public schools within a TIF, as well as to construct new classroom space.
- While there are 170 schools in Chicago TIFs, so far only four schools have received TIF funding, although the amount of TIF funding for schools has been increasing on a yearly basis.
- Because TIFs work by freezing the property taxes going to taxing bodies such as school and park districts, there can be negative long-term impacts on the revenues available for

The City's TIF program can affect public schools in two ways:

- TIF dollars can **help** public schools by funding construction and repair projects for schools located within the boundaries of a TIF.
- TIFs can **hurt** public schools by capturing new tax revenues that might otherwise have gone to the school district.

The overall effect of TIFs on Chicago's public schools is still not entirely clear. But this fact sheet breaks down what we do know on both sides of the issue.

How can TIF dollars be used for school construction and repair?

State law allows TIF dollars to be used for all sorts of public improvements – from roads and bridges to schools, parks, and libraries. Money for school improvements can be found under either the “public improvements” line item in the TIF budget, or sometimes under the “capital costs of other taxing districts” category. Between these two categories, Chicago's TIFs have budgeted a total of \$1.7 billion for public works projects in TIFs. Of course, schools have to compete for this money with all sorts of other infrastructure improvements, so there's no guarantee that these dollars will go to school projects. In fact, since TIF budgets are based on estimates of future revenues, there is no guarantee the money will ever materialize. Still, in TIF districts that have generated significant revenues for redevelopment, communities might want to look to the TIF program to help them fund pressing school improvements.

(For more information, see the NCBG fact sheet, “TIFs and Infrastructure,” p. 68.)

Where have TIF dollars been used for school construction and repair?

There are 170 schools in Chicago's 101 TIFs, but so far just four of them have received TIF money, with another one slated to receive funding in the near future. However, partly due to community pressure and partly to NCBG's efforts to highlight the need for Chicago Public Schools to receive direct benefits from TIF funds, the amount of TIF money going to school construction has noticeably jumped over the past three years.

In CPS's 2000 fiscal year, \$100 million in TIF funds were expected, none were forthcoming. In 2001, CPS's capital budget projected an expected \$97 million in TIF funds. That year, the schools received only \$11.25 million in TIF funds (for Jenner Elementary School and Walter Payton High School). For the 2002 fiscal year, CPS expects to receive \$103 million in TIF funding:

Schools	Address	TIF Amount	TIF District
Jones Magnet High School	606 S. State St.	\$50 million	Near South
National Teachers Academy	55 W. Cermak Rd. (but funded from the adjacent River South TIF District)	\$45 million	24 th /Michigan
Simeon High School	8235 S. Vincennes	\$8 million	Chatham Ridge

In May, 2002, CPS reported that City Council had approved \$52 million in October, 2001, for Jones Magnet High School and \$47 million for the National Teachers Academy in March 2002.

NCBG cannot confirm that City Council has as yet approved TIF funds for the replacement facility for Simeon High School.

It is worth noting that Jones Magnet, National Teachers Academy, and Walter Payton are all high schools with special academic programs designed to serve neighborhoods going through marked development and gentrification. Simeon, however, is a neighborhood high school that has waited 30 years for a badly needed new building.

The following schools have been slated for TIF-funded improvements:

School	TIF*	Project	Anticipated TIF Allocation
Armstrong Specialty	Roosevelt/Cicero	Major Capital Renovation	NA
Buckingham Center	95 th /Stony Island	Major Capital Renovation	NA
Cleveland	Western Avenue North	Major Capital Renovation	NA
Corkery	26 th /Kostner	Major Capital Renovation	\$3,400,000
Ericson	Midwest	Major Capital Renovation	NA
Gallistel	Lake Calumet	Major Capital Renovation	NA
Haines	Chinatown	Major Capital Renovation	NA
Herzl	Midwest	Major Capital Renovation	NA
Jones Academic H.S.	Near South	Major Capital Renovation	\$52,000,000
Kilmer	Clark/Ridge	Major Capital Renovation	NA
Lloyd	Belmont/Cicero	Major Capital Renovation	\$900,000
National Teachers Academy	24 th /Michigan (funded with River South TIF funds)	New School	\$47,000,000
O'Toole	60 th /Western	Major Capital Renovation	NA
Scammon	Portage Park	Major Capital Renovation	\$1,000,000
Sexton	Woodlawn	Major Capital Renovation	\$3,200,000
Simeon H.S.	Chatham Ridge	New School	\$8,000,000
Walter Payton H.S./ Jenner Academy	Near North	New Schools	\$11,250,000
Westcott	79 th Street Corridor	Major Capital Renovation	NA
Woodson South	43 rd /Cottage Grove	Major Capital Renovation	NA
Total			\$126,750,000

* Note: Some of these schools are just outside the boundaries of a TIF district, which according to the new State TIF reform law makes them eligible to receive TIF funds.

What types of TIF districts are most likely to generate money for school projects?

Most TIF districts do not have a ready pool of money available to fund redevelopment projects when they are first created. In fact, it takes even the most successful TIF districts several years to build up enough revenue to have enough money in the bank to pay for infrastructure projects. *Older TIFs (which have had more years to build up that “money in the bank”) or TIFs that have received bond issues are much more likely than newer districts to have school projects paid for out of TIF dollars.* CPS could pay for the projects up-front, then wait to get reimbursed from TIF funds as they become available (much like many private developers do), but it is much more likely for these projects to move forward if cash is already in the TIF fund.

How Do TIFs Affect School Revenues?

When the City establishes a TIF district, the amount of tax revenue that other local government taxing bodies (the schools, the parks, etc.) receive is frozen for the entire 23-year life of the TIF. **In other words, the school board will get no new tax dollars from the redevelopment of properties within the TIF for 23 years.** This can be a problem for three reasons:

- 1) **Inflation.** Let’s say that at the time a given TIF District is established, the property within its boundaries is worth \$10 million (the “equalized assessed value,” or “EAV”). The Chicago Public Schools generally impose a tax of approximately 4 percent on the EAV, which means that CPS would collect about \$400,000 in tax revenues from this area. That’s the same amount that CPS will collect from that TIF for each of the next 23 years. Those \$400,000, however, won’t be worth nearly as much 23 years from now as they are today because of inflation. Because the TIF freezes the property tax base available to other local government bodies, those entities actually lose money over time.
- 2) **Lost Revenues.** TIFs are supposed to be established in areas where there will be little or no growth without the help of the TIF. *But what if an area is already growing before it becomes a TIF?* This has become an issue of great concern to many Chicagoans who feel that TIFs are being overused in areas that already are experiencing significant growth in property values. In other words, many residents and business owners see TIFs being used to accelerate gentrification in areas that already have begun to attract high-end development. This trend can have serious implications for the Chicago Public Schools. Let’s say our sample TIF area (with a starting EAV of \$10 million) was growing at 3 percent per year prior to becoming a TIF. That growth rate probably would have continued after the TIF was established as well. That means that one year after the TIF was established, CPS would have been able to collect taxes on \$10.3 million in property value – or an extra \$12,000 in revenues. For each of the 23 years that the TIF is in place, that lost revenue number would grow. Multiplied by over 100 TIF districts, that number could rise into the tens of millions of dollars.
- 3) **Rising Costs.** Development often comes with costs. Denser development can mean higher operating costs for City services: more trash to collect, streets to sweep, electricity for street lights, and higher costs for police and fire protection. It can also mean higher capital costs: greater demand on the water and sewer system, the need to construct or repair streets and sidewalks, and expand municipal facilities, just to name a few potential costs. New development affects schools on both the operating and capital sides of the budget. More residential development can exacerbate overcrowding in area schools, creating a greater need to construct more classrooms, hire more teachers, and pay for all the other costs of having more students in the system.

If TIFs reduce the amount of revenue that CPS is receiving, the public school system has two choices: either raise its tax rate to collect more dollars, or make do with less and less money each year.

(For more information, see the NCBG fact sheets, “How Does the Property Tax System Work in Cook County?” p. 13, and “What Areas Are Eligible for TIF?”, p. 23.)

The State School Aid Formula

Because the amount of State aid a public school district receives depends in part on property values, many people are concerned about the effect that TIFs are having on the amount of State school funding that Chicago receives. In fact, in December 2000, when CPS voted to raise its tax levy by 4.3 percent, it cited the need to offset reductions in state aid due to EAV growth as one of the main reasons.

How does this relationship work? In general, there are two key factors in determining the amount of State Aid a given district will receive:

- If the **property value** of the district goes up, then State Aid will decline.
- If the **number of students** in the district rises, then State Aid will rise as well.

The Illinois State school aid formula is based on a simple principle: *wealthier school districts should pay for more of their costs with local funds, while poorer school districts should get more help from the State.* The State law establishes a “foundation level” – the minimum amount of funding per student that is available to each school district. For the 2001-2002 school year, Illinois’ foundation level is \$4560 per student. The idea is that between local funds (called “available local resources”) and State aid, each district should be able to meet the minimum per-student spending level. That means:

$$\text{Foundation Level} = \text{Available Local Resources} + \text{State Aid}$$

To figure out available local resources, the State calculates 3 percent of the EAV for the school district and divides it by the number of students in the district. For enrollment, the State uses the average daily attendance for schools in the district, not the total number of children signed up to attend school. In other words:

$$\text{Available Local Resources} = \frac{\text{Equalized Assessed Value} \times .03}{\text{Average Daily Attendance}}$$

The amount of available local resources determines how much State aid a district will receive. School districts fall into three categories:

If available local resources are less than \$4240 per student¹ . . .

. . . then the State makes up the *entire* difference between the foundation level and the available local resources.

$$\text{Total State Aid} = (\text{Foundation Level} - \text{Available Local Resources}) \times \text{Average Daily Attendance}$$

If available local resources are between \$4240 and \$7980 per student² . . .

. . . then the amount of State Aid declines as the property tax base gets larger. In other words, the bigger the local property tax base is, the less money the district gets from the State.

If available local resources are greater than \$7980 per student . . .

. . . then the district receives \$218 for each student in the district.

There has been heated debate about how to change the School Aid formula to make it more equitable. There is growing agreement that the foundation level is too low and that students in wealthier districts continue to receive much greater resources for public education despite the State formula. For more information about the effort to reform the State’s School Aid process, contact the Chicago League of Women Voters at (312) 939-5935 or the Cross City Campaign for Urban School Reform at (312) 294-2263.

¹ 93 percent or less of the foundation level (\$4560).

² 93 to 175 percent of the foundation level.

How do TIFs affect the school aid formula?

The State School Aid law specifically states *that increases in property values within a TIF are not taken into account when calculating the amount of aid a district should receive*. Instead, the State adds:

The value of property not in TIF districts
plus
The initial EAV of the TIF districts.

This means that rapid growth within a TIF district will not reduce the amount of State Aid the schools receive. However, there is some anecdotal evidence that TIFs are spurring rapid development even in areas outside their boundaries, especially in gentrifying parts of the City. This is especially true given the irregular boundaries of some TIF districts. Take for example a commercial TIF district that includes only businesses along major streets in a neighborhood and excludes neighboring residential areas. If the TIF is used for high-end commercial development along the major streets, there is a good chance that property values will also increase in the residential areas adjacent to the TIF. The State School Aid law, however, has no way of accounting for that indirect TIF-fueled growth in property values. Consequently, it could reduce the amount of State Aid that CPS receives.

As TIFs begin to expire, however, the situation will change considerably. When TIFs expire, the EAV that they have been accumulated over their 23-year life will again become part of the City's EAV. *That means that in certain years (such as 2021, 2022, and 2023, for example, there will be a sudden and significant jump in the EAV of the City, and a resulting sudden decline in the State Aid formula*. The problem will be here well before then, however. The first and largest TIF – the Central Loop – is due to expire in 2007, at which time \$510.8 million of property value will be returned to the general tax base (1.4 percent of Chicago total current property tax base). While that EAV will provide more tax revenue for the schools, it will also reduce State Aid.

Can School Districts Get Reimbursed For New Costs Resulting From TIFs?

As a result of the 1999 TIF reform legislation, municipalities are now obligated to reimburse the school district for some of the increased costs the district must assume when new housing is constructed in a TIF. In other words, the TIF has to help pay for the enrollment increase it creates. The formula for this reimbursement is:

$$(\text{\# of new pupils living in development}) \times (\text{district's per-capita tuition cost}) - (\text{additional State Aid})$$

These payments are capped at between 17 and 40 percent of the value of the increment generated by the project, depending on the type of district, the amount of state aid, and the per-capita tuition cost of the district.

In Chicago, there are additional restrictions:

1. No increased costs will be reimbursed unless the district shows that each of the schools affected by the TIF-subsidized housing developments is at or over its student capacity.
2. The amount reimbursed must either be reduced by (1) the value of any property donated to the school district by the developer or (2) the value of any improvements made to the school by the municipality.

Chicago Public Schools Located Within TIF Districts

Note: While these schools are located **within the boundaries** of TIF districts and are therefore eligible for TIF dollars, there are not necessarily any plans on the books to fund specific school improvement projects in these TIFs.

TIF District	School Name	Address	Community Area
24th/Michigan	Graham Training Center	2347 S. Wabash Ave.	Near South Side
35th/Wallace	McClellan School	3527 S. Wallace St.	Bridgeport
43rd/Cottage Grove	Woodson South School	4444 S. Evans Ave.	Grand Boulevard
	Fuller School	4214 S. St. Lawrence Ave.	Grand Boulevard
	Woodson North School	4414 S. Evans Ave.	Grand Boulevard
47th/King Dr.	Farren	5055 S. State St.	Grand Boulevard
	McCorkle	4421 S. State	Grand Boulevard
	Mollison	4415 S. King Dr.	Greater Grand
	Overton	221 E. 49 th St.	Grand Boulevard
	DuSable High School	4934 S. Wabash	Grand Boulevard
51st/Archer	Curie Metro	4959 S. Archer	Archer Heights
	Sandoval	5500 S. St. Louis	Gage Park
53rd Street	Kenwood Academy	5015 S. Blackstone	Kenwood
	Murray Academy	5335 S. Kenwood	Hyde Park
	Kozminski	936 E. 54 th St.	Hyde Park
	Harte	1556 E/ 56 th St.	Hyde Park
	Shoesmith	1330 E. 50 th St.	Kenwood
	Canter Middle	4959 S. Blackstone	Kenwood
71st/Stony Island	Parkside Academy	6938 S. East End Ave.	South Shore
79th Street Corridor	Joplin School	7931 S. Honore St.	Auburn/Gresham
95th/Western	Vanderpoel Magnet	9510 S. Prospect Ave.	Beverly
119th/Halsted	West Pullman Elementary	11941 S. Parnell	West Pullman
Archer/Central	Grimes School	5450 W. 64th Place	Clearing
	Fleming Branch	4918 W. 64 th St.	Clearing
Belmont/Central	Reinberg School	3425 N. Major Ave.	Portage Park
Belmont/Cicero	Foreman High School	3235 N. Leclaire Ave.	Portage Park
Bronzeville	Mayo School	249 E. 37th St.	Douglas
	Raymond School	3663 S. Wabash Ave.	Douglas
	Dunbar High School	3000 S. King Dr.	Douglas
	Phillips High School	244 E. Pershing Rd.	Douglas
Central West	Crane Tech High School	2245 W. Jackson Blvd.	Near West Side
	Young Magnet High School	211 S. Laflin St.	Near West Side
	Rudolph Learning Center	110 N. Paulina St.	Near West Side
	Best Practices High School	2040 W. Adams St.	Near West Side
	Jackson Academy	1340 W. Harrison St.	Near West Side
	Skinner School	111 S. Throop St.	Near West Side
	Nia School	2040 W. Adams St.	Near West Side
	Foundations School	2040 W. Adams St. (Cregier	Near West Side
	Dett School	2306 W. Maypole Ave.	Near West Side
	Brown School	54 N. Hermitage Ave.	Near West Side
	Spalding School	1628 W. Washington Blvd.	Near West Side
	Suder School	2022 W. Washington Blvd.	Near West Side
	Spalding High School	1628 W. Washington Blvd.	Near West Side

TIF District	School Name	Address	Community Area
Chatham Ridge	Simeon High School	8235 S. Vincennes	Chatham
Chicago/Central Park	Ryerson	646 N. Lawndale	Humboldt Park
	Morse	620 N. Sawyer	Humboldt Park
	Laura S.Ward	410 N. Monticello	Humboldt Park
	Lucy Flower High School	3545 W. Fulton	East Garfield Park
	Westinghouse High School	3301 W. Franklin Blvd.	Humboldt Park
Cicero/Archer	Hearst School	4640 S. Lamont Ave.	Garfield Ridge
Clark/Montrose	Stockton School	4420 N. Beacon St.	Uptown
Clark/Ridge	Hayt School	1518 W. Granville Ave.	Edgewater
	Kilmer School	6700 N. Greenview Ave.	Rogers Park
	Peirce School	1423 W. Bryn Mawr Ave.	Edgewater
	Stone Academy	6239 N. Leavitt St.	West Ridge
	Sullivan High School	6631 N. Bosworth Ave.	Rogers Park
	Senn Academy	5900 N. Glenwood Ave.	Edgewater
Division/Homan	Cameron	1234 N. Monticello Ave.	Humboldt Park
	Casals	3501 W. Potomac Ave.	Humboldt Park
Englewood	Banneker	6656 S. Normal Blvd.	Englewood
	Bass	1140 W. 66 th St.	Englewood
	Bontemps	1240 W. 58 th St.	West Englewood
	Copernicus	6010 S. Throop St.	West Englewood
	Holmes	955 W. Garfield Blvd.	Englewood
	Nicholson	6006 S. Peoria	Englewood
	Kershaw	6450 S. Lowe Ave.	Englewood
	Hayes APC	6533 S. Stewart	Englewood
	Proctor APC	838 W. Marquette	Englewood
	Reed	6350 S. Stewart	Englewood
	Englewood Academy High	6201 S. Stewart	Englewood
	Woods Academy	6206 S. Racine	West Englewood
Fullerton/Milwaukee	Darwin School	3116 W. Belden Ave.	Logan Square
	Funston School	2010 N. Central Park Ave.	Logan Square
	Chase School	2021 N. Point St.	Logan Square
Galewood/Armitage Ind.	Prosser High School	2148 N. Long Ave.	Belmont-Cragin
	Burbank	2035 N. Mobile	Belmont-Cragin
	Hanson Park	5411 W. Fullerton	Belmont-Cragin
Hyde Park/53rd Street	Harte School	1556 E. 56th St.	Hyde Park
	Kozminski Academy	936 E. 54th St.	Hyde Park
	Shoesmith School	1330 E. 50th St.	Kenwood
	Wirth Experimental School	4959 S. Blackstone Ave.	Kenwood
	Murray Academy	5335 S. Kenwood Ave.	Hyde Park
	Kenwood Academy	5015 S. Blackstone Ave.	Kenwood
Kinzie Industrial	Beidler	3151 W. Walnut	East Garfield Park
Lake Calumet Industrial	Corliss High School	821 E. 103 rd St.	Pullman
	Washington Elementary	3611 E. 114 th St.	Far South
	Washington High School	3535 E. 114 th St.	East Side
Lakefront	State Pre-K Demonstration	4019 S. Lake Park	Oakland
	Future Commons Multiplex	4071 S. Lake Park	Oakland
Lawrence/Broadway	John T. McCutcheon	4865 N. Sheridan Rd.	Uptown

TIF District	School Name	Address	Community Area
Lawrence/Kedzie	Peterson School	5510 N. Christiana Ave.	North Park
	North Side College Prep	Kedzie Ave. @ Bryn Mawr	North Park
	Albany Park Academy	5039 N. Kimball Ave.	North Park
	Von Steuben Metro	5039 N. Kimball Ave.	North Park
	Mather High School	5835 N. Lincoln Ave.	West Ridge
Madison/Austin	Emmet School	5500 W. Madison St.	Austin
	Austin High School	231 N. Pine Ave.	Austin
	Delano School	3937 W. Wilcox St.	West Garfield Park
	Douglass Academy	543 N. Waller Ave.	Austin
	De Priest School	139 S. Parkside Ave.	Austin
Midwest	Frazier School	4027 W. Grenshaw St.	North Lawndale
	Dodge School	2651 W. Washington Blvd.	East Garfield Park
	Faraday School	3250 W. Monroe St.	East Garfield Park
	Grant School	145 S. Campbell Ave.	Near West Side
	Calhoun North School	2833 W. Adams St.	Near West Side
	Ericson Academy	3600 W. Fifth Ave.	East Garfield Park
	Sumner Academy	4320 W. Fifth Ave.	West Garfield Park
	Jensen Academy	3030 W. Harrison St.	East Garfield Park
	Collins High School	1313 S. Sacramento Drive	North Lawndale
	Webster School	4055 W. Arthington St.	West Garfield Park
	Gregory School	3715 W. Polk St.	East Garfield Park
	Manley Academy	2935 W. Polk St.	East Garfield Park
	Marshall High School	3250 W. Adams St.	East Garfield Park
	Plamondon School	2642 W. 15th Place	North Lawndale
	Howland School	1616 S. Spaulding Ave.	North Lawndale
	Johnson School	1420 S. Albany Ave.	North Lawndale
	Dvorak Academy	3615 W. 16th St.	North Lawndale
	Penn School	1616 S. Avers Ave.	North Lawndale
	Lawndale Academy	3500 W. Douglas Blvd.	North Lawndale
	Chalmers School	2745 W. Roosevelt Rd.	North Lawndale
	Bethune School	3030 W. Arthington St.	East Garfield Park
	Henson School	1326 S. Avers Ave.	North Lawndale
	Lathrop School	1440 S. Christiana Ave.	North Lawndale
Near North	Manierre School	1420 N. Hudson Ave.	Near North Side
	Truth School	1443 N. Ogden Ave.	Near North Side
	Salazar Center	160 W. Wendall St.	Near North Side
	Byrd Academy	363 W. Hill St.	Near North Side
	Jenner Academy	1009 N. Cleveland Ave.	Near North Side
	Franklin Magnet	225 W. Evergreen Ave.	Near North Side
	Schiller	650 W. Scott St.	Near North Side
	Walter Payton High School	1034 N. Wells St.	Near North Side
	Near North High School	1450 N. Larrabee St.	Near North Side
Northwest Industrial	Wright School	627 N. Harding Ave.	Humboldt Park
	Orr High School	730 N. Pulaski Rd.	Humboldt Park
Pilsen	De La Cruz School	2317 W. 93 rd Pl.	Lower West Side
	Perez School	1241 W. 19 th St.	Lower West Side
	Whittier School	1900 W. 23 rd St.	Lower West Side

TIF District	School Name	Address	Community Area
	Juarez High School	2150 S. Laflin St.	Lower West Side
Portage Park	Schurz High School	3601 N. Milwaukee Ave.	Irving Park
Pulaski Corridor	McAuliffe School	1841 N. Springfield Ave.	Hermosa
Roosevelt/Racine	Smyth School	1059 W. 13 th St.	New West Side
	Riis School	1018 S. Lytle St.	Near West Side
	Medill Primary School	1301 W. 14th St.	Near West Side
Roseland/Michigan	Curtis	32 E. 115 th St.	Roseland
South Chicago	Las Casas High School	8401 S. Saginaw Ave.	South Chicago
	Sullivan School	8255 S. Houston Ave.	South Chicago
	Bowen High School	2710 E. 89th St.	South Chicago
	Thorp School	8914 S. Buffalo Ave.	South Chicago
SW Industrial Corridor East	Southside Academy	7342 S. Hoyne	West Englewood
	Randolph Magnet	7316 S. Hoyne	West Englewood
Stony Island Commercial/Burnside	Schmid School	9755 S. Greenwood Ave.	Pullman
	Ashe School	8505 S. Ingleside Ave.	Chatham
	Chicago Vocational High	2100 E. 87th St.	Calumet Heights
West Irving Park	Vaughn High School	4355 N. Linder Ave.	Portage Park
West Pullman	White School	1136 W. 122nd St.	West Pullman
Western Ave North	McPherson School	4728 N. Wolcott Ave.	Lincoln Square
	Chappell School	5145 N. Leavitt	Lincoln Square
	Amundsen High School	5110 N. Damen	Lincoln Square
Western Ave. South	Lane Tech High School	2501 W. Addison	North Center
	Coonley School	4046 N. Leavitt St.	North Center
Western/Ogden	Gladstone School	1231 S. Damen Ave.	Near West Side
	Irving School	749 S. Oakley Blvd.	Near West Side
	Simpson High School	1321 S. Paulina	Near West Side
	Montefiore Special School	1310 S. Ashland Ave.	Near West Side
Wilson Yard	Arai Middle School	4525 N. Kenmore Ave.	Uptown
	Stewart School	900 W. Wilson Ave.	Uptown
Woodlawn	Dumas School	6650 S. Ellis Ave.	Woodlawn
	Fiske School	6145 S. Ingleside Ave.	Woodlawn
	Carnegie School	1414 E. 61st Place	Woodlawn
	Wadsworth School	6420 S. University Ave.	Woodlawn

Total: 170 Schools



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Can TIFs be used to improve public transit?

TIFs and Public Transit: Key Facts

- TIF dollars can be used to pay for improvements to transit stations and to fund “transit-oriented development” projects that use access to public transportation as an anchor for other community development activities.
- Unfortunately, most of the TIF dollars used for public transportation have been spent on projects

Can TIF money be used to fund public transportation?

Yes, with some exceptions. TIF dollars can be used for public transit infrastructure, but not for operating expenses. State law prohibits the City from using TIF money to restore lost service hours (such as cuts to weekend and nighttime transit service), purchase new equipment, or to fund the salaries of transit employees, but there are still important transit improvements eligible for TIF funding. These eligible expenditures include:

- ♦ New “L” stations, including land acquisition, building demolition, financing, legal, and planning costs.
- ♦ Transit-oriented development in and around public transportation stations.
- ♦ Bus shelters.

Why use TIF money for public transit?

The underlying purpose of TIF is to revitalize commercial, industrial, or residential areas. Transit brings people into a community to live, work, and shop. Increased transit use, and the related pedestrian traffic in the neighborhood, also enhances safety by bringing more people into areas that previously were either abandoned lots or havens for crime. A strong public transit link can be a critical ingredient in the success of all three of those enterprises:

- **Commercial Districts:** People won’t spend money in a business area if it is difficult or impossible for them to get there. A strong public transit link — particularly if the station is designed to maximize interaction between the station and the surrounding business district — can provide a large infusion of new customers for both existing stores and new commercial developments.
- **Industrial Corridors:** One of the biggest challenges that manufacturers and other industrial companies face is access to the workforce. Many companies chose to stay in Chicago because big cities provide good access to labor. But if an industrial park is isolated from the rest of the City because of poor transit connections, then one of Chicago’s biggest advantages in attracting and retaining industry is lost. *If these companies move out of Chicago, they take good jobs with them.* The Kinzie Industrial Corridor on the City’s West Side has been especially hard hit by a lack of access to train lines. The Chicago Transit Authority refused to add stops on the

Lake Street branch of the Green Line between Ashland and California during the renovation *and* eliminated the Lake Street and Washington Blvd. Bus lines, leaving workers with few transit options for getting to their jobs.

- **Residential Neighborhoods:** Easy access to public transit is essential to many Chicagoans for getting to work, shopping, seeking medical care, and taking their families to museums, parks, and other attractions. New or improved transit facilities improve the quality of life of existing residents and help bring new people to the neighborhood. Transit access may be especially important for the success of new TIF-funded subdivisions and housing developments which must attract large numbers of new residents in order to fill the available space.

(For more information, see the NCBG fact sheet, “TIFs and Infrastructure,” p. 68.)

What is Transit-Oriented Development?

Transit-Oriented Development (TOD) is any project that seeks to use a site’s proximity to public transportation as a key selling-point for bringing new investment to a neighborhood. The location, design, and mix of uses in a TOD project emphasize pedestrian-friendly environments and easy access to trains and busses. Transit-oriented development can bring jobs, retail development, social services, and transit ridership back into a community, and help to sustain a pattern of living, shopping, playing, and working in a neighborhood.

Well-designed TOD projects can be extremely effective because the new development and the transit line support each other. Enhanced transit facilities draw people to the neighborhood to live, work, and shop. This influx of new activity helps business and residential areas to thrive. This new life in the neighborhood in turn entices more people to use public transportation. The neighborhood benefits through an enhanced quality of life. The transit system benefits from additional, fare-paying riders.

TOD is not a new concept. In fact, it dates back to the turn of the century when much of Chicago’s public transportation system was constructed. Newly constructed rail lines attracted dense housing development and business expansion. Many of Chicago’s existing neighborhoods continue to thrive as communities anchored by good access to transit lines.

Have TIFs ever been used to fund public transit?

Yes, though all of the TIF money spent on transit has been downtown. To fully understand the link between TIFs and transit, you need to know a little bit about how the public transportation system is funded. While the Chicago Transit Authority has the primary responsibility for trains and busses in the City, there is also significant City funding for public transportation infrastructure. Since 1990 (including projects slated for 2000 through 2004), the City of Chicago has allocated \$773 million for improvements to CTA and Metra infrastructure. A large chunk of those dollars -- \$215 million (28 percent) – has gone to station improvements downtown in the 42nd Ward. In Chicago’s current (2000-2004) capital plan, 97 percent of the \$116.4 million City dollars allocated to public transit are going to projects downtown. These funds are included in the City’s *Capital Improvement Program* – the five-year “wish list” detailing the City public works plans.

The City of Chicago CIP funded three public transportation projects with TIF revenue, all of which are located in the Loop. Those projects are:

Project Name	Estimated Cost
Randolph/Washington Station	\$13,500,000
Dearborn Subway — Lake/Wells	\$1,200,000
Misc. Transit Projects — Central Loop	\$24,000,000

While the City has chosen to limit its use of TIF dollars for public transportation projects to downtown, many TIFs have transit facilities in their boundaries that would be eligible for TIF dollars, especially if used in conjunction with a transit-oriented development plan for the community. The following list shows which TIFs have existing CTA or Metra stations within their boundaries. Of course, TIF dollars could also be used to construct a new station.

Which TIFs have transit stations within their boundaries?

TIF District	Station Name	Line
105th/Vincennes	105th	Metra Rock Island
119th/Halsted	West Pullman	Metra
24th/Michigan	Cermak/Chinatown	CTA Red
45th/ Western	49th & Western	CTA Orange
47th/Halsted	47th St.	CTA Red
47th/King Drive	47th St.	CTA Red, Green
51st/Archer	Pulaski	CTA Orange
53rd Street	53rd/Hyde Park	Metra Electric
63rd/Pulaski	Pulaski	CTA Orange
71st/Stony Island	Stony Island, Bryn Mawr, South Shore	Metra Electric South Chicago Branch
	79th Street	Metra Electric Main Line/University Park
79th Street/Southwest Highway	Ashburn/83rd & Central Park Wrightwood/79th & Kedzie	Metra Southwest Service
95th/Western	95th Street	Metra Rock Island
Addison/Kimball	Addison	CTA Blue
Bronzeville	35th Street/Bronzeville	CTA Green(Englewood/Jackson
Bryn Mawr/Broadway	Bryn Mawr	CTA Red
Canal/Congress	Clinton	CTA Blue (Congress/Douglas)
Central Loop	State/Washington	CTA Red
	State/Lake	CTA Red
	Madison/Wabash	CTA Brown, Green, Purple, and
	Monroe/Dearborn	CTA Blue
	State/Van Buren (Library)	CTA Brown, Purple, and Orange
	State/Lake	CTA Brown, Green, Purple, and
	State/Jackson	CTA Red
	Randolph/Wabash	CTA Brown, Green, Purple, and
	Clark/Lake	CTA Brown, Green, Purple, and
	Adams/Wabash	CTA Brown, Green, Purple, and
	Clark/Lake	CTA Blue
	Washington/Dearborn	CTA Blue
	LaSalle/Van Buren	CTA Brown, Purple, and Orange
	Quincy/Wells	CTA Brown, Purple, and Orange
	Washington/Wells	CTA Brown, Purple, and Orange
	State/Monroe	CTA Red
	Jackson/Dearborn	CTA Blue
Central West	Racine, Western, UIC/Medical Center	CTA Blue (Congress)
Chatham Ridge	87th Street	CTA Red
Chicago/Central Park	Conservatory	CTA Green
Division/Homan	Damen	CTA Blue
Edgewater	Berwyn	CTA Red
Englewood	Racine	CTA Green

Englewood Mall	63rd/Halsted	CTA Green (63rd/Ashland Branch)
Fullerton/Milwaukee	California, Logan Square, Western	CTA Blue
Galewood/Armitage Industrial	Hanson Park, Galewood	Metra Milwaukee District West Line
Howard/Paulina	Howard	CTA Red
TIF District	Station Name	Line
Jefferson Park	Jefferson Park	Metra Union Pacific Northwest Line
	Jefferson Park	CTA Blue
Kinzie Industrial	Kedzie, California, Ashland	CTA Green
	Kedzie	Metra Union Pacific West Line
Lake Calumet Industrial	95th St.	CTA Red
Lakefront	47th and Kenwood	Metra Electric
	Dan Ryan	CTA Red
	King Dr.	CTA Green
Lawrence/Broadway	Lawrence Ave.	CTA Red
Lawrence/Kedzie	Kedzie, Kimball	CTA Brown
Madison/Austin	Central	CTA Green (Lake Street)
	Austin	CTA Green (Lake Street)
	Laramie	CTA Green (Lake Street)
Midway Industrial	Midway	CTA Orange
Midwest	Conservatory/Lake & Homan	CTA Green (Lake Street)
	Western Kedzie/Homan, Pulaski	CTA Blue (Congress)
Near North	Sedgwick	CTA Brown
Near South	Harrison	CTA Red
	Roosevelt	CTA Green and Orange
North Branch North	Clybourn	Metra Union Pacific North and
Northwest Industrial	Cicero, Pulaski, Laramie	CTA Green (Lake Street)
Pilsen Industrial	Halsted	Metra Heritage Corridor
	Halsted, Ashland	CTA Orange
Portage Park	Grayland	Metra Milwaukee District North Line
River West	Grand	CTA Blue
Roosevelt/Cicero	Cicero	CTA Blue (Douglas)
Roseland/Michigan	State St.	Metra Blue Island
South Chicago	87 th St., 91 st St.	Metra Electric South Chicago Branch
Southwest Industrial Corridor East	Wrightwood	Metra Southwest Service
Stony Island Commercial/Burnside	83 rd St., 87 th St., 91 st St., 95 th St.	Metra Electric Main Line/University
Western Avenue North	Damen, Western	CTA Brown
	Ravenswood	Metra Union Pacific North Line
Western Avenue South	Irving Park	CTA Brown
Western/Ogden	Western	Metra Burlington Northern/Santa Fe
	Western	CTA Blue (Congress)
Wilson Yard	Wilson, Lawrence	CTA Red
Woodlawn	63rd/Cottage Grove	CTA Green (East 63rd)



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What is the Relationship between TIFs and Public Housing?

TIFS and Public Housing: Key Facts

- Chicago's public housing is going through a major federally-mandated transformation into mixed-income neighborhoods.
- To help implement the transformation, an increasing amount of public housing land is being included in new TIF districts.
- As with schools and public transit, CHA residents living in or expecting to return to TIF districts should have

CHA Transformation and TIFS

Chicago's public housing is in the midst of an historic moment – the massive redevelopment of public housing as it has been known, calling for these isolated areas of poverty to be recreated as new mixed income neighborhoods. Since 1995, when the federal government took over the Chicago Housing Authority (CHA), under the Plan for Transformation, 1190 public housing units have been demolished, with another 3013 listed by the CHA as “pending demolition.” A total of 475 new public housing units have been built and another 2178 have been renovated, again, according to CHA. The agency's ultimate plan is to redevelop 25,000 units of public housing by 2010 – a daunting goal and one that may not be achievable, according to many observers.

The unprecedented costs to support this monumental change for the city and its residents will come partly from federal Hope 6 grants and federal development grants and from the bonding that can be backed by these funds, and partly from private equity and financial institutions through the developers of the new mixed-income communities. Much of the city's responsibility in the redevelopment of the public housing neighborhoods is to restore the traditional city street grid and provide new and upgraded street, sewer and municipal infrastructure. For the past several years, the city has been building new police stations in many of the public housing redevelopment areas, and, in a few cases, new libraries.

In a pattern that has accelerated in 2001 and 2002, the City Department of Planning and Development has created TIF districts in significant number areas of public housing areas. By doing this, the City brings much of the development decision-making power into its own hands, allowing it to make planning and development decisions as well as to issue bonds against future property value in these areas.

TIF DISTRICTS IN CHA REDEVELOPMENT AREAS

TIF District	CHA Redevelopment Area included in TIF District	Date TIF District Approved
Near North	Cabrini-Green	7/30/97
43 rd /Cottage Grove	Washington -- scattered	7/8/98
Roosevelt/Racine	ABLA	11/4/98
Bronzeville	Stateway Gardens	11/4/98
24 th /Michigan	Ickes Homes	7/21/99
35 th /Wallace	Wentworth Gardens	12/15/99
Central West	Henry Horner	2/16/00
Midwest	Rockwell	5/17/00
119 th /Halsted	Scattered	2/6/02

Lakefront	Lakefront (imploded)	3/27/02
Drexel Boulevard	Site of imploded CHA building	In Process
Madden-Wells	Madden Park/Ida B. Wells/Clarence B. Darrow	In Process

To date, the most visible evidence of the new mixed income neighborhoods that the city and CHA envision, is in the Near North TIF district which includes the Cabrini-Green public housing development. Here, a mixed income residential development, North Town Village is being built partially on CHA land, although not on land where a CHA building once stood. North Town Village has 261 units, divided into 50 percent market rate, 20 percent affordable housing, and 30 percent CHA replacement housing.

At this writing, infrastructure work has begun at two other CHA developments, with construction of new mixed-income housing to begin during 2002. One of these developments will be in on the Southeast side of the city in the Lakefront TIF District, which is made up of empty CHA-owned property on which several high-rises stood before they were closed in 1985 and imploded more than 10 years later. Here, 278 mixed-income housing units will start to go up. On Chicago's West Side, in the Central West TIF District, the Henry Horner Homes will soon see the first phase of what will eventually be a 764-unit mixed income development.

The geographical link between Chicago's TIF districts and public housing developments is made clear in the map below, which shows both Chicago's TIF districts (gray shaded areas) and public housing projects (triangle marks).



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How can our TIF get money “up-front” for redevelopment?

“Front-Funding” TIF Districts: Key Facts

- Unlike some other economic development programs, TIFs don’t come with a pool of money that can immediately be used to pay for redevelopment projects.
- Borrowing money or coordinating with other development programs are feasible ways to “front-fund” a TIF and jump start projects.
- Front-funding a TIF should always go hand-in-hand with a community-based development plan that

The Problem: TIFs Don't Come With Money Up Front

TIFs are different than many other redevelopment programs in that they don’t come with a pot of money that can immediately be used to pay for projects. TIFs generate money over time as the overall property value of the area rises. This means that until the first full tax year, there is no money in the TIF fund at all. Even after the first round of new tax bills in the TIF, chances are that there will only be a few dollars for redevelopment, especially in smaller TIF districts. Why? Unless a big new project is built right away, the TIF has to wait for “natural” growth in the tax base to create the new revenue for the TIF. This natural growth includes small improvements to existing property, increases due to inflation, “infill” development on smaller pieces of vacant land, and in some cases, rising property values due to gentrification that was already underway before the TIF was established.

The end result is that most TIFs don’t have a significant amount of money in the bank even after a few years. In fact, of the 77 TIFs that are old enough to begin generating increment, 45 have generated less than \$1 million for redevelopment. In other words, 58 percent of TIFs have yet to create even \$1 million that can be used for local improvement projects, and 44 percent have less than \$500,000 in their TIF fund.

Total Increment	Number of TIFs
Less Than \$100,000	40
\$100,001 to \$500,000	22
\$500,001 to \$999,999	15
\$1,000,000 to \$1,499,999	11
\$1,500,000 to \$1,999,999	4
\$2,000,000 to \$2,499,000	3
\$2,500,000 to \$2,999,999	6
\$3,000,000 to \$3,499,999	4
\$3,500,000 to \$3,999,999	2

\$4,000,000 to \$4,499,999	2
\$4,500,000 to \$4,999,999	0
Greater than \$5,000,000	12
Total	121

Without significant money in the bank, it is more difficult to attract developers to the area, and virtually impossible to build public improvements (such as infrastructure projects, school repairs or additions, park upgrades, etc.). It still may be possible to attract a developer on a “pay-as-you-go” basis – meaning that the developer puts up its own money to build the project and gets paid back through TIF funds as the money becomes available. In any case, TIFs with less money in the bank are less flexible and slower-moving, especially when it comes to constructing public improvements or formulating ways to benefit existing residents and businesses that don’t have the deep pockets of a large developer.

For a complete list of how much increment each TIF district has generated since 1990, see the table at the end of this section.

Front Funding – A Warning

In some neighborhoods – where the community did not support the creation of a TIF district or does not like the redevelopment goals drafted by the City – the idea of front-funding a TIF seems dangerous. They don’t want to see the City create a large pool of money that can be used to fast-track an agenda that could displace existing residents and businesses or change the fabric of a neighborhood for the worse. ***Front funding a TIF can be a good idea, but only when there is a strong community-centered redevelopment plan in place that provides direct benefits to existing stakeholders.***

Bond Issues and Notes: The Most Common Way to Front-Fund a TIF

So far, 28 TIFs have received a bond issue or some other sort of bank loan to help front-fund development activities. Some older TIFs have received more than one bond or loan. These loans and bonds range from fairly small (about \$1 million) to very large (\$187 million for the Central Loop TIF), and come in several types:

- **Revenue Bonds:** If the City can convince the financial community that a TIF district is likely to produce significant new revenues (“increment”), then it can issue a bond to get those funds in a lump sum up-front rather than waiting for them to come in year-by-year. In other words, the City receives cash up-front which it repays over a number of years (with interest) as the TIF generates revenues. Generally, bonds are for relatively large sums because they involve significant administrative costs to issue. Unlike a bank loan, where a single financial institution fronts all the money (and assumes all the risk), a bond issue is sold to multiple individuals or institutions (such as pension funds). The higher the risk (in other words, the more likely it is that the City will be unable to pay back the money), the higher the interest rate that the City will have to pay investors on the money it borrows. Unlike General Obligation Bonds (the type of bonds the City uses to fund its Capital Improvement Program), the City *does not* have to use its general revenues to pay back the bonds if the TIF district fails to generate enough money.
- **Bank Notes:** In some cases, the trouble and expense of a bond issue is not necessary in order to get smaller amounts of money to front-fund individual redevelopment projects. In these cases, a bank or other private investor may put up a sum of money that the City will repay, with interest, as the TIF generates revenue of its own. The City has used these sorts of notes in two ways. First, they have used them to fund the TIF Neighborhood Investment Program and the Small Business Investment Fund. Local banks pledged funds that the City then distributed to individual homeowners and small business

owners for façade repairs and safety improvements. Second, the City has used these notes to provide up-front cash for individual redevelopment projects. The proceeds of these notes generally go to an individual developer, rather than into the general TIF fund.

- **Housing Revenue Notes:** The City of Chicago receives block grants from the federal Dept. of Housing and Urban Development to construct and rehabilitate affordable housing under the HOME Investment Partnerships program. Rather than passing these federal funds along to affordable housing developers as direct grants, the City instead uses them for low-interest loans to the developers. By having to pay lower interest rates on these loans, developers can reduce their financing costs and, therefore, afford to charge lower rents or sale prices for the housing they construct. These loans – called “multi-family housing revenue notes” – effectively front-fund some of the larger affordable housing projects constructed as part of the TIF program.

For a complete list of TIF bonds and notes in Chicago, see the table at the end of this section.

(For more information, see the NCBG fact sheet, “TIF NIP and TIF SBIF,” p. 48.)

What Other Ways Are There to Front-Fund a TIF?

While bonds and notes provide the most direct way to front-fund a TIF, other ways might be effective in certain situations:

- **Coordinating With the City’s Capital Improvement Program:** The Capital Improvement Program (CIP) is the City’s five-year plan for infrastructure improvements. Projects in the CIP are funded through a combination of local revenues, State funds, and federal grants. If they are done as part of an overall development plan, infrastructure projects can be an effective way to attract private investment and benefit existing residents and businesses. For example, the infrastructure improvements made along State Street went a long way toward making the downtown area more attractive to developers, and helped make the most of other TIF dollars the City spent. Infrastructure improvements in industrial areas make it easier to attract new companies and retain existing businesses.
- **Coordinating With Other Development Programs:** The City has a whole arsenal of economic development programs that it can use in Chicago’s neighborhoods: Federal Community Development Block Grant funds, low-income housing or historic preservation tax credits, housing block grants from the Dept. of Housing and Urban Development, Special Service Areas, and industrial retention bonds, just to name a few. By using these programs wisely in TIF districts, the City is more likely to attract the first “anchor” project in a TIF district. That project, once completed, will begin generating revenues for the TIF as a whole.
- **Planning for “Quick Impact” Projects:** TIF districts tend to generate revenue most quickly when there is a large piece of vacant land that is ready for development. These types of properties can quickly go from areas that pay little or nothing in property taxes to large revenue producers. In the Stockyards Industrial-Commercial TIF, for example, a shopping center built early on in the life of the TIF created revenues that were used to fund industrial development and retention in the area. If these types of opportunities exist in your TIF district, and the types of projects that would be built on the land are acceptable to the community, then staging or phasing this sort of mixed land-use can be a way to produce revenues for other local priorities.

(For more information, see the NCBG fact sheets, “TIF Alternatives: An Overview,” p. 152, and “Chicago’s Capital Improvement Program,” p. 160.)

TIF Bonds and Notes Issued in Chicago

TIF District	Date TIF was	Date Bond was	Name of Bond or Note	Principal
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..... Neighborhood Capital Budget Group/TIF ALMANAC/p 93

	Approved	Authorized		
111th/Kedzie	9/29/99	11/8/00	Tax Increment Allocation Revenue Note: Taxable Series 2000	\$500,000
43rd/Cottage Grove	7/8/98	6/28/00	Chicago Multi-Family Housing Revenue Notes, Series 2000	\$5,500,000
43rd/Cottage Grove	7/8/98	1/1/99	Multi Family Housing Revenue Bonds, Series 1999A -Hearts United	\$5,700,000
60th/Western	5/9/96		Taxable Series A	\$3,700,000
TIF District	Date TIF was Approved	Date Bond was Authorized	Name of Bond or Note	Principal
79th Street Corridor	7/8/98		Auburn Gresham LLC Redevelopment Project, Series 2001	\$254,950
95th/Stony Island	5/16/90	12/1/98	Developer Note	\$1,625,000
95th/Western	7/13/95	4/3/98	Redevelopment Project Tax Increment Bonds	\$2,600,000
Bronzeville	11/4/98	10/26/99	TIF NIF Program Note	\$1,000,000
Bryn Mawr/Broadway	12/11/96	7/31/97	Bryn Mawr/Broadway Redevelopment Project Subordinate Tax Increment Allocation Note Series 1997	\$1,800,000
Bryn Mawr/Broadway	12/11/96	6/4/97	City of Chicago Multi-Family Housing Revenue Note, Series 1997-A (Bryn Mawr/Belle Shore Project)	\$9,500,000
Canal/Congress	11/12/98	9/27/00	Tax Increment Allocation Revenue Note, Canal Congress Redevelopment Project Area (555 W Monroe St Project)	\$9,750,000
Central Loop	6/20/84	11/1/97	Central Loop Redevelopment Project Series 1997 A&B	\$187,000,000
Central Loop	6/20/84	10/1/00	Senior Lien Tax Increment Allocation Bonds Series 2000A	\$79,996,614
Central Loop	6/20/84	10/1/00	Senior Lien Tax Increment Allocation Bonds Series 2000B	\$62,350,000
Central Loop	6/20/84	10/1/00	Subordinate Tax Increment Allocation Bonds, Series 2000A	\$98,900,000
Central Loop	6/20/84	10/31/01	TIF Redevelopment Note (Dearborn Center)	\$10,000,000
Chatham Ridge	12/18/86	9/7/88	Chatham Ridge Tax Increment Revenue Bonds Series 1998	\$4,825,000
Chatham Ridge	12/18/86	10/31/01	TIF Allocation Revenue Note	\$1,770,000
Chicago/Kingsbury	4/12/00	11/15/00	Tax Increment Allocation Revenue Note, Taxable Series A	\$3,500,000
Chinatown Basin	12/18/86	3/8/91	Chinatown Square Project Series 1990A	\$5,591,115
Clark/Montrose	7/7/99	11/8/00	Tax Increment Financing Allocation Revenue Note: Taxable Series 2000	\$1,265,681
Division/North Branch	3/15/91	4/23/91	Division-North Branch Redevelopment Project Series 1991	\$2,615,000
Goose Island	7/10/96	7/18/00	Note issued on behalf of Republic Windows/Developer Note	\$1,108,889
Goose Island	7/10/96	9/1/99	Tax Increment Allocation Bonds (Goose Island Redevelopment Project) Series 1999	\$37,000,000
Goose Island	7/10/96	6/1/00	Tax Increment Allocation Bonds (Goose Island Redevelopment Project) Series 2000	\$16,800,000
Howard/Paulina	10/14/88		Tax Increment Allocation Revenue Note (Howard/Paulina Redevelopment Project Area) Series 1997	\$8,000,000
Irving/Cicero	6/10/96	11/1/98	Irving Cicero Redevelopment Project Tax Increment Bonds - Series 1998	\$4,700,000
Jefferson Park	9/9/98	6/14/00	Tax Increment Allocation Revenue Note, Taxable Series A	\$790,000
Kinzie Industrial	6/10/98	5/17/00	Tax Increment Allocation Revenue Notes (Kinzie Industrial Conservation Area) Series A	\$23,500,000
Kinzie Industrial	6/10/98	7/21/99	TIF SBIF Program/BankAmerica Corp.	\$2,000,000
Lawrence/Kedzie	2/16/00	7/19/00	City of Chicago Tax Increment Allocation Revenue Note (Lawrence/Kedzie Redevelopment	\$1,000,000

			Project) Taxable Series 2000	
Lincoln/Belmont/Ashland	11/2/94	12/19/94	Lincoln-Belmont Ashland Redevelopment Project Series 1994A/Developer Note	\$7,671,035
Lincoln/Belmont/Ashland	11/2/94	8/1/98	Lincoln-Belmont-Ashland TIF Allocation Bonds, Series 1998 A and 1998B	\$12,375,000
Near North	7/30/97	7/1/99	Senior Lien Tax Increment Allocation Bonds (Near North Redevelopment Project) Taxable Series 1999B	\$10,100,000
TIF District	Date TIF was Approved	Date Bond was Authorized	Name of Bond or Note	Principal
Near North	7/30/97	7/1/99	Tax Increment Allocation Bonds (Near North Redevelopment Project) Series 1999 - Unissued Portion of Authorization	\$44,900,000
Near South	11/28/90	12/1/94	Near South Redevelopment Project Series 1994A	\$23,000,000
Near South	11/28/90	2/1/99	Near South Redevelopment Project Series 1999A	\$42,500,000
Near South	11/28/90	2/1/99	Near South Redevelopment Project Series 1999B	\$7,500,000
Near South	11/28/90	7/1/01	Near South Redevelopment Project Series 2001A	\$39,011,762
Near South	11/28/90	7/1/01	Near South Redevelopment Project Series 2001B	\$7,230,000
Near West	3/23/89	5/12/99	Tax Increment Allocation Bonds (Near West Redevelopment Project) Series 1999	\$19,500,000
Near West	3/23/89	7/1/00	Tax Increment Allocation Bonds (Near West Redevelopment Project) Series 2000	\$11,560,000
Pilsen Industrial	6/10/98	12/31/01	Tax Increment Allocation Revenue Note (Pilsen Redevelopment Project Area)	\$3,560,000
Portage Park	9/9/98	7/28/99	TIF Revenue Note (Portage Park Redevelopment Project) Taxable Series 1999	\$1,415,000
Pulaski Corridor	6/9/99	6/9/00	City of Chicago Tax Increment Allocation Revenue Note (Pulaski Corridor Redevelopment Project) Series 2000	\$1,685,250
River South	7/30/97	11/15/00	Note 1 (to be repaid from Increment)	\$2,709,329
River South	7/30/97	11/15/00	Note 3 (to be repaid from Increment)	\$4,682,264
Roosevelt/Union	5/12/99	11/10/99	Tax Increment Allocation Revenue Note (Roosevelt/Union Redevelopment Project Area) Taxable Series 1999	\$75,000,000
Ryan Garfield	12/18/86	9/15/87	City of Chicago Ryan Garfield Tax Increment Revenue Bonds Series 1987	\$2,315,000
Sanitary Drainage & Ship Canal	7/24/91	4/30/97	Sanitary Drainage & Ship Canal Redevelopment Project Bond Series 1997A	\$5,530,000
South Chicago	4/12/00	6/6/01	Taxable Series 2001	\$1,200,000
Southwest Industrial Corridor East	3/20/99	6/9/99	City of Chicago Tax Increment Allocation Revenue Notes (Gateway Park, LLC, Redevelopment Project) Series 1999A	\$14,000,000
Stockyards Industrial-Commercial	3/9/89	12/29/94	Stockyards Industrial-Commercial Redevelopment Project Series 1994A Bonds	\$12,700,000
Stockyards Industrial-Commercial	3/9/89	1/29/97	Stockyards Industrial-Commercial Redevelopment Project Series 1996A	\$14,800,000
Stockyards Industrial-Commercial	3/9/89	1/2/97	Stockyards Industrial-Commercial Redevelopment Project Series 1996A Revenue and Refunding Note	\$12,560,000
Stockyards Southeast Quadrant	2/26/92	12/29/94	Stockyards SE Quadrant Industrial Redevelopment Bonds Series 1994B	\$10,400,000
Stockyards Southeast Quadrant	2/26/92	1/29/97	Stockyards SE Quadrant Industrial Redevelopment Bonds Series 1996B	\$20,000,000
Stockyards Southeast Quadrant	2/26/92	1/2/97	Stockyards SE Quadrant Industrial Redevelopment Note Series 1996B	\$9,900,000
Stony Island Commercial/Burnside Industrial	6/10/98	11/8/00	Tax Increment Allocation Revenue Note, Taxable Series 2000	\$1,500,000
West Ridge/Peterson	10/27/86	11/24/86	West Ridge-Peterson Redevelopment Project Series 1996	\$3,000,000
Woodlawn	1/20/99	10/26/99	TIF NIF Program Note	\$1,000,000

TOTAL

\$1,027,565,089

How Much Money Has Each TIF Generated?

The following table summarizes how much new revenue (“increment”) each TIF has generated for redevelopment since 1990, along with the year the TIF was first established.. Keep in mind that the property tax assessment cycle runs a year behind the calendar year. In other words, the tax bills for 2000 come out in 2001. Figures below are as of Tax Year 2000, the most recent available.

TIF District	Date	Total Revenue Since
Central Loop	6/20/84	\$359,832,331
Near South	11/28/90	\$40,812,940
Stockyards Industrial-Commercial	3/9/89	\$18,979,213
Near West	3/23/89	\$17,780,258
Stockyards Southeast Quadrant	2/26/92	\$13,008,558
Kinzie Industrial	6/10/98	\$12,353,450
Chatham Ridge	12/18/86	\$10,296,842
Read-Dunning	1/11/91	\$9,753,794
Chinatown Basin	12/18/86	\$9,016,263
Near North	7/30/97	\$8,558,530
River South	7/30/97	\$6,146,867
Sanitary Drainage & Ship Canal	7/24/91	\$5,127,630
Pilsen Industrial	6/10/98	\$4,295,682
Lincoln/Belmont/Ashland	11/2/94	\$4,277,161
Goose Island	7/10/96	\$3,962,833
Ryan Garfield	12/18/86	\$3,553,048
North Branch North	7/2/97	\$3,427,329
Canal/Congress	11/12/98	\$3,329,182
North Branch South	2/5/98	\$3,076,772
Stockyards Annex	12/11/96	\$3,028,114
Fullerton/Normandy	10/7/93	\$2,983,107
Roosevelt/Canal	3/19/97	\$2,973,597
Howard/Paulina	10/14/88	\$2,793,618
Englewood Mall	11/29/89	\$2,699,678
West Ridge/Peterson	10/27/86	\$2,685,112
Midwest	5/17/00	\$2,677,515
95th/Stony Island	5/16/90	\$2,302,997
Edgewater	12/18/86	\$2,273,891
Roosevelt/Homan	12/5/90	\$2,269,134
Division/North Branch	3/15/91	\$1,998,038
Western/Ogden	2/5/98	\$1,861,501
Stony Island	6/10/98	\$1,656,599
95th/Western	7/13/95	\$1,535,408
Michigan/Cermak	9/13/89	\$1,470,920
Division/Hooker	7/10/96	\$1,442,271
Northwest Industrial	12/2/98	\$1,441,340
Lincoln Avenue Corridor	11/3/99	\$1,374,873
Irving/Cicero	6/10/96	\$1,307,880
Lawrence/Kedzie	2/16/00	\$1,242,724

79th Street Corridor	7/8/98	\$1,143,386
TIF District	Date	Total Revenue Since
Homan/Grand Trunk	12/15/93	\$1,103,248
35th/Halsted	1/14/97	\$1,084,649
60th/Western	5/9/96	\$982,960
Bronzeville	11/4/98	\$981,491
Homan/Arthington	2/5/98	\$935,649
Central West	2/16/00	\$859,606
Roosevelt/Cicero	2/5/98	\$852,701
43rd/Damen	8/3/94	\$733,274
Fullerton/Milwaukee	2/16/00	\$719,609
Pulaski Corridor	6/9/99	\$706,082
Calumet/Cermak	7/29/98	\$632,482
Eastman/North Branch	10/7/93	\$627,863
Portage Park	9/9/98	\$600,856
Galewood/Armitage Industrial	7/7/99	\$566,329
43rd/Cottage Grove	7/8/98	\$560,413
Woodlawn	1/20/99	\$523,253
Jefferson/Roosevelt	8/30/00	\$522,530
41st/King Drive	7/13/94	\$466,138
49th/St. Lawrence Ave.	1/10/96	\$448,575
Southwest Industrial Corridor	3/20/99	\$436,730
Addison Corridor North	6/4/97	\$393,404
73rd/Kedzie	11/17/93	\$341,039
South Chicago	4/12/00	\$339,834
24th/Michigan	7/21/99	\$334,966
Devon/Western	11/3/99	\$325,642
Southwest Industrial Corridor	4/12/00	\$319,267
71st/Stony Island	10/7/98	\$309,248
Madison/Austin	9/29/99	\$288,055
Clark/Montrose	7/7/99	\$269,783
Clark/Ridge	9/29/99	\$256,682
89th/State	4/1/98	\$243,574
Western Avenue North	1/12/00	\$243,195
West Grand	6/10/96	\$240,901
Peterson/Pulaski	2/16/00	\$233,192
Jefferson Park	9/9/98	\$231,477
Chicago/Kingsbury	4/12/00	\$175,285
Belmont/Cicero	1/12/00	\$152,119
North/Cicero	7/30/97	\$142,030
35th/Wallace	12/15/99	\$103,552
Midway Industrial	2/16/00	\$89,717
111th/Kedzie	9/29/99	\$68,454
West Pullman Industrial	3/11/98	\$65,562
Cicero/Archer	5/17/00	\$56,907
63rd/Pulaski	5/17/00	\$48,005

Roosevelt/Racine	11/4/98	\$45,877
Roosevelt/Union	5/12/99	\$29,551
26th/Kostner	4/29/98	\$18,959
TIF District	Date	Total Revenue Since
Addison/Kimball	1/12/00	\$10,076
South Works Industrial	11/3/99	\$6,362
Montclare	8/30/00	\$5,165
51st/Archer	5/17/00	\$2,602
Bloomington/Laramie	9/15/93	\$1,411
Addison/Archer Courts	5/12/99	\$757
126th/Torrence	12/21/94	\$0
West Irving Park	1/12/00	\$0
Belmont/Central	1/12/00	\$0
Western Avenue South	1/12/00	\$0
Peterson/Cicero	2/16/00	\$0
Archer/Central	5/17/00	\$0
Lake Calumet Industrial	12/13/00	\$0
53rd Street	1/10/01	\$0
Ohio/Wabash	6/7/00	\$0
Englewood	6/27/01	\$0
Division/Homan	6/27/01	\$0
Wilson Yard	6/27/01	\$0
Lawrence/Broadway	6/27/01	\$0
Chicago/Central Park	2/27/02	\$0
River West	1/10/01	\$0
Humboldt Park Commercial	6/27/01	\$0
79th Street/Southwest Highway	10/3/01	\$0
105 th & Vincennes	10/3/01	\$0
Roseland/Michigan	1/16/02	\$0
119 th & Halsted	2/6/02	\$0
47th/King Drive	3/27/02	\$0
Lawrence/Pulaski	2/27/02	\$0
47th/Ashland	3/27/02	\$0
Lakefront	3/27/02	\$0
45 th /Western	3/27/02	\$0
47 th /Halsted	5/29/02	\$0
TOTAL		\$602,548,804



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Why Is There A TIF In the Central Loop?

The Central Loop TIF: Key Facts

- The success of the Central Loop TIF in attracting developers is a result of the substantial commitment of financial resources and political will made by the City early in the process – particularly when it comes to front-funding development projects through bond issues and infrastructure investments.

The Central Loop TIF is Chicago's first, biggest, highest-profile and most controversial TIF district. Because of its size – both in terms of land area and property value – it has by far the most substantial impact on the citywide tax base, as well as on other taxing bodies such as the public schools. Its expansion in 1997 from a portion of the North Loop to almost the entire downtown area drew the fire of neighborhood groups and fiscal conservatives alike. Many of Chicago's community leaders questioned whether focusing so intently on downtown development when there were so many pressing neighborhood needs was a wise or equitable decision. Many public interest groups feared that cutting off the rest of the City's access to new Loop tax dollars would eventually drain the revenues available for schools, parks, and other neighborhood priorities.

Quick Facts About the Central Loop TIF:

Size:	171 acres
Established:	June 1984
Expanded:	February 1997
Total Increment Since 1990:	\$359.3 million
# of Redevelopment Projects:	25
TIF Assistance to Date:	\$181,605,794
Private Investment:	\$1,507,121,980
Jobs Created:	3,801
Jobs Retained:	12,800

But there are more reasons to study the Central Loop than just size or controversy. By some standards, the Central Loop TIF has been successful at accomplishing what it set out to do. Few people would question that the Loop looks better than it has in years, perhaps decades. Downtown has experienced an unprecedented boom in residential development, which in turn has spurred a need for new businesses to cater to those who stay in the Loop after offices have closed. Streets and sidewalks downtown are greener and more attractive. Everywhere you turn, there seems to be a new building being built or an old one being renovated.

The changes downtown raise as many questions, however, as they present answers. What is the real cost of the downtown development boom? Who is really benefiting? Who has been left out? Why has downtown development soared while many neighborhood TIFs languish? What can the rest of the City learn about the TIF program from what has happened downtown?

Perhaps most importantly, the North Loop TIF – and particularly its 1997 expansion to include large portions of the Central Loop -- raises serious questions about whether a TIF ever should have been established downtown in the first place. By cutting off Chicago's fastest-growing real estate market from the rest of the City's tax base, the rest of the City may have lost out on millions of dollars of new

revenues that could have been distributed among the rest of Chicago's neighborhoods. The City took needed steps in the 1980s and early 1990s to jump start the downtown economy. That investment set the ball rolling and made downtown a prime real estate market again. Once the real estate market was rolling, was it necessary to throw so many more public resources at downtown?

(For more information on the history of the Central Loop TIF, see the NCBG TIF Encyclopedia, August 1999, pp. 59-61, available at www.ncbg.org.)

Money in the Bank

Because of its size, location, extensive infrastructure improvements, and multiple bond issues, the Central Loop TIF has generated more money for redevelopment more quickly than any other TIF in the City. In fact, since 1990, the Central Loop TIF has generated \$359.8 million in revenue for the TIF fund:

Year	Increment	Year	Increment
1990	\$18,630,854	1995	\$31,220,939
1991	\$19,748,348	1996	\$32,339,822
1992	\$23,984,036	1997	\$37,161,540
1993	\$29,896,712	1998	\$40,541,858
1994	\$30,340,854	1999	\$44,418,752
2000	\$51,548,616		

The Front-Funding Secret

Both the original North Loop TIF and the Central Loop expansion have benefited from a ready supply of cash for redevelopment projects. The first bond issue for the North Loop TIF came in December 1986, when the City issued a \$58 million bond for exclusive use on the TIF district. In November 1997, soon after the Central Loop expansion was approved, the City issued a second bond for the area – this one for \$187 million. Finally, to provide funds for the last phase of the Central Loop development, the City issued a third bond in May 2000 – this one for \$250 million. ***That means that downtown benefited from half a billion dollars in investment from up-front bond issues.***

It is hard to underestimate how important these bond issues have been to the downtown development projects. Rather than waiting for new tax revenues to roll in year-by-year, the City has had a ready pool of funds up front that it can use to subsidize developers or construct infrastructure improvements. Unlike in most TIFs – where developers have to pay for expenses out of pocket and then get reimbursed by the TIF program as revenues become available – in the Central Loop the City offers up-front cash, making it even easier to find investors. The infusion of cash provided by the bond issues gives the City greater flexibility and bargaining power in managing development downtown, and represents a commitment of resources and political will that far surpasses what the City has been willing to devote to most neighborhood TIFs.

Infrastructure Improvements: A Fast-Track to Development

Further accelerating the rapid pace of development downtown was the City's use of public dollars – both from the TIF program and the City's general funds – to make key infrastructure improvements. Most notable was the decision to remove the pedestrian mall on State Street and devote substantial resources to beautifying the street. In January 1996, the City launched a \$32 million project to revitalize the State Street commercial district from Wacker Drive on the north to Congress Parkway on the south. The City paired \$10.6 million in TIF funds with another \$21.4 million in federal funds and \$739,000 from the Illinois Dept. of Transportation to remove the unpopular mall, reopen State Street to traffic, and install decorative lighting, planters, and new sidewalks. The improvements provided a tremendous boost to area merchants and played a key role in attracting new life to the area.

But the State street improvements are far from the only downtown infrastructure projects paid for with TIF funds. Lighting, public facility, sidewalk, bridge, and even public transit improvements in the Central Loop have been paid for with TIF funds. In fact, the Central Loop TIF has funded a total of \$109.5 million in public works improvements:

Project Type	Project Type	Address	TIF Funds	Completed ?
North Loop Development – Selwyn/Harris Theaters	Other Development Projects	190 N. Dearborn St.		Yes
State Street, Wacker to Congress	Other Development Projects	340 N State St to 500 S State St	\$10,553,400	Yes
LaSalle, Wacker to Washington (Median Landscaping)	Streetscaping	100 to 340 N LaSalle St	\$94,000	Yes
Randolph/Washington Station	Transit	150 N State St	\$13,500,000	Yes
Dearborn Subway - Lake/Wells Mezzanine & Lake Platform	Transit	200 N Dearborn St	\$1,200,000	Yes
Loop Alley Lighting	Lighting	Various Locations	\$100,100	No
Van Buren, Wabash to Wells Ornamental Lighting	Lighting	45 E to 220 W Van Buren St	\$2,265,583	Yes
LaSalle, Wacker to Jackson Ornamental Lighting	Lighting	340 N to 300 S LaSalle St	\$954,750	Yes
Lake St., Michigan to Wacker Drive - Ornamental Lighting	Lighting	100 E Lake St to 360 W Lake St	\$5,068,000	Yes
Cultural Arts Resource Center	City Office Buildings	70 E Randolph St	\$3,050,000	Yes
Exterior Lighting for Harold Washington Library	Library	400 S State St	\$350,000	Yes
Central Loop – Acquisition/Demolition/Site Prep	Other Development Projects	Various Locations		Yes
Central Loop -- Park Improvements	Other Development Projects	Various Locations	\$2,000,000	Yes
Misc. Transit Projects - Central Loop	Transit	Various Locations	\$24,000,000	Yes
Lower Wacker Dock Wall Removal	Bridges	150 W Wacker Dr	\$1,500,000	Yes
Randolph, Wacker to Michigan Loop Lighting	Lighting	100 E to 360 W Randolph St	\$7,585,000	Yes
Couch, Dearborn/State & Benton, State/Wabash - Lighting	Lighting	Various Locations	\$2,400,000	Yes
Master Loop Lighting Project - Design Only	Lighting	Various Locations	\$114,408	No
El Structure @ Wells/Randolph	Lighting	150 N Wells St	\$660,000	Yes
Wabash Avenue Renovation Project - Wacker to Roosevelt - Loop Lighting - Engineering Only*	Lighting	501 S Wabash Ave	\$290,000	No
Michigan, Randolph to Congress, Ornamental Lights	Lighting	150 N. to 500 S. Michigan	\$14,900,000	Yes
Vaulted Sidewalk Repair - 630 N Wabash	Sidewalks	630 N Wabash Ave	\$218,600	Yes
111 W. Van Buren – Vaulted Sidewalk Repair	Sidewalks	111 W. Van Buren		Yes
Total			\$109,504,841	

* A portion of this project is in the Near South TIF. The dollar amount included here is half of the total \$590,000 in TIF funds allocated for the projects across both districts.

The Central Loop TIF has also benefited from generous allocations from the City’s Capital Improvement Program, the five-year plan for infrastructure improvements paid for with a combination of local, State, and federal funds. The 42nd Ward, which includes the Central Loop TIF as well as other areas adjacent to downtown, consistently receives far more public works allocations than any other ward. Since 1990, the 42nd Ward has received nearly \$1.6 billion in capital allocations, not including projects with a “citywide” impact such as the new Harold Washington library or the relocation of Lake Shore Drive to make way for

the Museum Campus. To put that figure in perspective, the 42nd Ward by itself has received more than one-quarter of all ward-specific capital allocations from the City of Chicago since 1990.

(For more information, see the NCBG report, “Back to Basics: Fairness and Accountability for Our Neighborhood Public Works.”)

Residential Conversions and the “24-Hour Downtown”

The unifying theme of many of the TIF-funded improvements made in the Central Loop is Mayor Daley’s concept of the “24-hour downtown.” The Mayor has encouraged the development of entertainment venues that stay open after Loop office buildings have closed their doors. To support these new ventures, Daley has stressed residential development in and around downtown. If more people live near the Loop, they will form a core group of customers who patronize stores, restaurants, and theaters after office workers have gone home for the night. Much of this new Central City residential base will come from booming development in the areas immediately surrounding downtown – many of which are in TIF districts themselves.

But the Central Loop TIF has seen its share of residential development as well. Because of the density of the area, there is virtually no open land for new construction, so instead developers have begun to convert office buildings to living spaces. So far, four residential conversion projects (including a combination youth hostel/Columbia College dormitory) have received a total of \$19.6 million in subsidies from the Central Loop TIF:

Project*	Description	TIF Subsidy	Units	Affordable Units
201 N. Wells St. (3/15/00)	201 N. Wells St. Convert office building to rental apartments.	\$7,000,000	293	59
American Youth Hostels (12/2/98)	24 W. Congress Pkwy. Convert building into youth hostel and dorms for Columbia College.	\$3,500,000	250-bed hostel/120 dorm rooms	NA
Fisher Building (5/12/99)	343 S. Dearborn St. Convert office building into luxury rental apartments.	\$6,600,000	184	0
Mentor Building (11/3/99)	37 S. State St. Convert office building to condominiums.	\$2,500,000	40-50	0
201 N. Clark St. (10/15/87)	201 N. Clark Construct mixed-use office/residential/retail development.	\$600,000	NA	NA
Total		\$20,200,000		

*This list does not include several mixed office/retail/residential projects that were constructed on cleared land earlier in the life of the North Loop TIF. Those are included in the “Other Downtown Development Projects” section below.

The Hotel Boom

In addition to bringing full-time residents to the downtown area, Mayor Daley has also stressed hotel development as a way to bring more foot traffic downtown after office hours. There have been five hotels either completed or in the works in the Central Loop TIF which have received \$25.3 million in TIF subsidies. At least one more hotel is being planned in the Central Loop as part of the long-delayed Block 37 development, and other hotels have been discussed in the TIFs that adjoin downtown.

Hotel	Description	TIF Subsidy	Jobs Promised
Hotel Allegro (12/10/97)	171 W. Randolph St. Renovate former Bismark hotel in conjunction with improvements to Palace Theater (listed separately).	\$5,836,073*	Create 456 full-time jobs (including theater)
Hotel Burnham (12/11/91 to 6/10/98)	32 N. State St. Rehab historic Reliance building into “boutique” hotel. Project required four redevelopment agreements and nearly a decade to complete.	\$10,888,713	Not disclosed.
Oxford House/Hotel Monaco (9/9/98)	225 N. Wabash Ave. Renovate Oxford House Hotel and attached restaurant.	\$1,700,000	Create 35 full-time and 35 part-time jobs
St. George Hotel (1/12/00)	230 N. Michigan Ave. Convert Carbide and Carbon building into luxury hotel.	\$5,000,000	Create 285 full-time jobs
Stouffer/Renaissance (3/25/86)	1 W. Wacker Dr. Construct new hotel and the Leo Burnett office building.	\$1,850,000	Create 400 jobs and retain 3,500 jobs (including portion to build corporate headquarters for the Leo Burnett advertising agency)
Total		\$25,274,786	

* Hotel share only.

The Theater District

The Central Loop TIF has also invested \$59 million in creating a “theater district” downtown, another part of the Mayor’s effort to get more foot traffic downtown after office hours. The City has used TIF dollars to subsidize redevelopment of four theaters downtown, which have turned out to be among the most expensive TIF-funded projects.

Theater	Description	TIF Subsidy	Jobs Promised
Chicago Theater (9/11/85)	177 N. State St. Rehab Chicago Theater and save from demolition by private developer.	\$16,068,000	Create 1,460 jobs.
Goodman Theater (10/14/88 – present)	120 N. Dearborn St. Rehab façade of historic Harris-Selwyn Theater buildings and construct adjoining retail/entertainment complex.	\$18,800,000	N/A
Oriental Theater (3/26/96)	32 W. Randolph St. Rehab theater and adjoining office space. The theater owner declared bankruptcy soon after the project was complete, but the theater has remained open.	\$17,000,000	Create 1,780 jobs including “indirect” jobs at nearby businesses
Palace Theater (12/10/97)	134 N. LaSalle St. Rehab theater space that adjoins former Bismark hotel (now Hotel Allegro, see above).	\$7,312,875*	See Hotel Allegro.
Total		\$59,180,875	

* Theater portion only.

Other Downtown Development

Besides the categories listed above, there have been several other notable development projects subsidized by Central Loop TIF dollars, including a high-tech incubator, a new Sears store, and the long-delayed development of Block 37 – a parcel of land bordered by State, Randolph, Dearborn and Washington Streets. Since the City purchased the land in 1989, sold it to a private developer, and demolished the existing buildings, the land has remained essentially vacant while one development proposal after another fell through. The City's original TIF subsidy (to purchase the land and clear the buildings) was \$34 million. In 2002, the City decided to buy back the property from the developer and look for a new developer or developers.

Project	Description	TIF Subsidy	Jobs Promised/Reported
1 N. Dearborn St. (11/17/99)	1 N. Dearborn St. Renovate building to include new Sears store and office space.	\$13,515,833	0
1 S. State St. (1/12/00)	1 S. State St. Rehab façade of Carson Pirie Scott Building and develop new adjoining office space.	\$5,500,000	0
330 S. Michigan Ave. (5/12/99)	330 S. Michigan Ave. Renovate 14-story office building.	\$2,030,000	Create 280 full-time jobs.
Chicago Information Technology Exchange (5/12/99)	14 E. Jackson Blvd. Convert office building into incubator for new high-tech companies.	\$8,000,000	Create 285 full-time jobs.
EthnicGrocer.com (7/19/00)	1 N. Dearborn St. Rehab office space to retain on-line retailer. Though it has been approved by the City Council, deal is in jeopardy because of the company's financial health.	\$1,148,255	Create 400 full-time jobs.
FJV Venture/Block 37 (3/26/87)	State/Randolph/Dearborn/Washington Acquire square block of land and demolish buildings for future mixed-use development; no development has occurred; City buying property back and looking for new developer(s)	\$33,972,993	0
Metropolitan Office Building	134 N. LaSalle St. Rehab offices as part of Hotel Allegro/Palace Theater project.	\$4,451,052*	See Hotel Allegro.
Page Brothers Building (11/3/99)	177 N. State St. Public Building Commission will renovate structure adjacent to Chicago Theater for a City business support center with \$4.5 million from North Loop Preservation Fund.	\$0	0
Prime Group (10/15/87)	201 N. Clark St. Construct a mixed office/retail/residential development.	\$600,000	Retain 4,700 jobs.
Michigan/Wacker Associates (3/28/01)	75 E. Wacker Stabilization of exterior and reconstruction of the building's cupola.	\$1,500,000	
Dearborn Center (10/31/01)	123-41 S. Dearborn 57 story office/retail building and parking	\$10,000,000	0
Stein/Warshauer	203 N. LaSalle St. Construct a mixed residential/retail/office tower.	\$9,400,000	Retain 2,800 jobs.
Total		\$90,118,133	

* Office building/public improvements portion only.



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Protecting Taxpayer's Investments: Clawbacks and Performance Monitoring

Clawbacks: Key Facts

- Clawbacks protect tax dollars by allowing a government to recapture some or all of the subsidies it gives if the recipient does not live up to its agreement with the government.
- Although Chicago writes clawback provisions into redevelopment and subsidy agreements, it is not clear how much monitoring is done of subsidy recipients, and the clawback provisions are not always enforced vigorously.

What is a Clawback?

Clawbacks are provisions that allow a government to revoke or require to repay incentives if a company doesn't achieve its promised objectives. When companies or developers get TIF subsidies, that is a *taxpayer investment*, and people deserve to see how that investment is performing. If the City of Chicago contracted for 100 miles of road surfacing, but the contractor paved only 50 miles, wouldn't you want to be able to find out what happened? What about a company that says it will create 100 jobs? Few mechanisms exist to monitor the cost-effectiveness of tax expenditures, much less hold a business accountable for its promise of job creation.

Who Uses Clawbacks?

Today, at least 7 states have disclosure laws or procedures that generate annual, company-specific data about subsidies given to thousands of companies. At least 19 states have "clawbacks," or money-back guarantee language, attached to one or more economic development program. Many cities – probably more than 100 – have clawbacks. And at least 37 states – as well as 25 cities and 6 counties – have attached job quality standards such as wage and/or healthcare requirements to subsidies. In other words, most states and many big cities already have some accountability.³

Grassroots groups working on subsidy accountability have won remedies like money-back guarantee "clawbacks," requirements that companies that receive subsidies pay fair wages and benefits, rules for full disclosure, environmental protection and "anti-piracy" safeguards against "paying Peter to rob Paul" with taxpayers money. For more information, see www.goodjobsfirst.org/gjfpubs.htm.

Two states -- Maine and Minnesota -- have subsidy accountability laws that were brought about by statewide networks of grassroots organizations: the Minnesota Alliance for Progressive Action (www.mapa-mn.org) and the Maine Citizens Leadership Fund (www.mclf.org). Several other networks have issued studies, prompting debate, including the Kentucky Economic Justice Alliance (www.kydrc.org), Citizens for Economic Opportunity in Connecticut (www.ceo-ct.org), Northeast Action (www.neaction.org), Montana People's Action (www.mtpaction.org), the Center for Public Policy

³ Greg Leroy, Good Jobs First, <http://www.itepnet.org/mlfaq.htm>

Priorities in Texas (www.cppp.org), and the North Carolina Budget and Tax Center (www.ncjustice.org/btc/).

Does Chicago use Clawbacks?

The City of Chicago does not uniformly invoke clawbacks in all redevelopment agreements. Over the last couple of years, however, the Department of Planning and Development has included some provisions that protect our tax dollars. But, we still have a long way to go to ensure accountability from developers and companies receiving TIF subsidies.

Each TIF Redevelopment Agreement negotiated by the City of Chicago contains a section on Completion of the construction or rehabilitation project and the issuance of a Certificate of Completion. As part of this section, a subsection, “Failure to Complete” specifies that the City has the right to terminate the Redevelopment agreement, cease disbursement of City funds, and seek reimbursement from the development of City funds if the project is not completed per the Redevelopment Agreement.

In Redevelopment Agreements that include the issuance of City notes or bonds, a provision is included allowing the City the right to seek reimbursement “provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize tax-exempt status, if any, of the Bonds.”

In both sections, dealing with the construction period and the post-construction period, the City is not mandated to seek remedy through any means, but is specified to have the right to do so. In a few cases the language in these sections is stronger than the usual, one Agreement stating that the City may “demand and receive” immediate repayment of funds. In another case the language on default remedies states that the City may pursue action in Court and may take back the property.

A provision in some of the Redevelopment Agreements states that if the developer fails to complete the project, the City has “the right (but not the obligation) to complete those TIF-funded improvements that are public improvements and to pay for the costs of TIF-funded improvements (including interest costs) out of City funds or other City monies. In the event that the aggregate cost of completing the TIF-funded improvements exceeds that amount of City funds available, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-funded improvements in excess of the available City funds....”

In only one of the Redevelopment Agreements was the Developer’s job covenant with the City specifically mentioned in the Default section. Obviously, the City needs to do a better job ensuring that taxpayer dollars are protected and at disclosing information about TIF developer’s financial and project performance and the actual number of jobs created, compared to the number of jobs promised.

Recommended Job Training Disclosure Requirements for City TIF Subsidies

The City’s TIF program can directly benefit the public by creating good-paying jobs for Chicago residents, if it also ensures that Chicagoans receive the skill training they need to qualify for such jobs. While the City reports some data on job creation and skill training in TIFs, that information is vague and incomplete. In order to assess whether the TIF program really is helping more Chicagoans get good-paying jobs, the City needs to disclose more information about the job training and placement results of the TIF program. The following are the NCBG TIF Community Task Force’s recommendations for what job-training and placement-related data the City should track and disclose each quarter:

For each job training contract or placement for promised job creation:

- Who received the subsidy?
- How much was the subsidy?
- How many full-time jobs were promised? How many part-time jobs were promised?
- How many full-time jobs have actually been created to date? How many part-time jobs have actually been created to date? How long does the company have to fulfill its hiring promises?
- How many of those jobs went to Chicago residents? How many went to people who live in the neighborhoods surrounding the TIF?
- What is the average wage of the jobs that were created?
- Has the company receiving the TIF subsidy been cited for labor violations? Is it a union shop?
- Are the jobs really new jobs, or are they simply relocated from another facility? What is the impact on the previous location?

For job training:

- What company or job trainer received the subsidy?
- What was the size of the job training subsidy?
- When was the subsidy issued to the company?
- Who performed the actual job training? When?
- How much money did the trainer receive?
- How many people were trained? How many of those people actually received jobs at the company receiving the TIF subsidy?
- How many of the people who were trained were Chicago residents? Specifically, who was trained: Were trainees low income? Minorities? Ex-offenders? Unemployed? Welfare recipients? Long-term unemployed? Dislocated workers? Women seeking non-traditional careers? How many were residents of that TIF district?
- Of what did the training consist? For example, basic workforce preparedness training, clerical and computer skills, specific industrial skills such as woodworking, metalworking, shipping and receiving, tool and die, etc.
- What was the impact of the training? How many trainees were placed in jobs for which they were trained? What benefits and wages did they receive? How many were retained for 30, 60, 90, or 180 days? What was the income gain for participants after training and placement, compared to their prior income?

In other words, to evaluate the true benefit of TIF-funded training by companies or job-training service providers, performance assessment should be comparable to that used to assess other MOWD contracts.

How should this information be made public? Job creation and training information should be distributed for each contract on a quarterly basis by TIF to every individual, company, or organization listed on the TIF Interested Parties registry. A complete set of the jobs data should be kept at Chicago Public Libraries. A year-end summary of job creation, retention, and training activities should be included in the annual report for each TIF that the City currently publishes on June 30 of each year. The Community Development Commission and/or the City Council should hold a public hearing each year to take public input on how well the City is performing when it comes to creating jobs and providing job training through the TIF program.



TIF CAPS: Limiting the Number or Amount of TIFs

TIF Caps: Key Facts

- At least 21 states have put limits on the number and size of TIF districts by capping the number of TIF districts or acreage or property value captured in TIF districts.
- Illinois has no such caps, but we can learn from what other states have done.

What is a TIF Cap?

The City of Chicago currently has 121 TIF districts officially designated, several more in the pipeline and over 13% of its Equalized Assessed Value for 2001 captured by TIF districts. At what point do we say enough is enough? How much of our tax base should be captured by TIF? What is fiscally responsible? What is the long-term impact on taxing bodies?

A TIF Cap could limit either the total number of TIF districts allowed in a municipality, total acres or the total amount of a municipality's Equalized Assessed Value (EAV) (property value) that may be designated as TIF districts. Limiting either the number, acres or EAV amount of TIF districts has been considered as a possible reform strategy to keep the City of Chicago from capturing too much of the property tax base and thus contributing to long-term funding shortages for all taxing bodies and property tax increases.

Our research has found that at least 21 states currently limit TIF districts in some way. Illinois TIF law currently contains no provision for limiting TIF districts. The only change in Illinois TIF law that curbed the use of TIF was when the State outlawed the use of sales tax TIFs in the early 1990s.

How is this different from the Property Tax Cap?

Property tax caps in Illinois limit growth in a local government's property tax extensions (aggregate tax bills to property owners) to 5 percent **or** the rate of inflation, whichever is less. Growth in actual property value (new homes and home additions, for example) is not included in the amount capped, and voters may override the caps by referendum.

Property tax caps were put into place by Illinois lawmakers in the early 1990s as a response to a decade of rapidly rising property tax bills in metro-Chicago. By the mid-1990's tax caps were imposed in Cook County.

The Property Tax Extension Limitation Law (PTELL) is what is popularly known as "tax caps." Although the law is commonly referred to as "tax caps," use of this phrase can be misleading. The PTELL does not "cap" either individual property tax bills or individual property assessments. Instead, the PTELL allows a taxing district to receive a limited inflationary increase in tax extensions (the calculation of the tax rate by the County Clerk based on the local municipality's tax levy, which is the amount in real estate taxes requested by each taxing body) on existing property, plus an additional amount for new construction, and voter-approved rate increases. The Chicago Public Schools and other local taxing bodies come under PTELL. Although the City of Chicago abides voluntarily by the tax caps, they are not mandated for the City because it is a home rule district (a municipality or country government with a population of 25,000 or more that are not held to some standards held to other counties and municipalities).

The caps began with the imposition of limits by the state on tax extensions in the five collar counties of DuPage, Kane, Lake, McHenry, and Will in 1991. Following a successful advisory referendum in 1994, the caps were extended to Cook County in 1995. Then, in 1996, the opportunity to impose PTELLs by countywide referendum was extended to the remaining Illinois counties. Since then, 31 counties have passed tax cap referenda, while 8 other counties have rejected tax cap referenda. The jurisdictions in the 37 counties now subject to the cap represent nearly 60 percent of the State's school districts, 45 percent of its non-home rule municipalities, and just over 45 percent of all county and special districts.

The Illinois tax cap is imposed on all non-home rule jurisdictions in the affected counties. Under the cap, local governments can increase their property tax collections over the previous year by no more than the rate of inflation in the national Consumer Price Index or by 5 percent, whichever is less. New or newly annexed property is exempt from the cap in the first year and there are special rules for bonds. The Illinois Property Tax Extension Limitation Law allows local government officials to ask voters to approve an override of the cap through a referendum.⁴ **Passage of such a referendum would enable a local taxing body to increase the amount of its total property tax extension.**

(For more detailed information, see the NCBG fact sheet, "How Does the Property Tax System Work in Cook County?" P. 13)

What Other States Impose TIF Caps?

Comparing State TIF Legislation

TIF laws vary from state to state, with some states requiring more oversight and some putting a cap on the amount of land or value that is allowed to be under TIF districts. The information below is not an exhaustive review of state TIF legislation, but more a review of the kinds of differences that exist from one state to another.

Twenty-one states restrict either the physical area that can be encompassed by Tax Increment Financing districts or the proportion of assessed value that can be captured under TIF. Among these:⁵

<u>State</u>	<u>Description of Cap(s)</u>
Arkansas	25% of aggregate property value
Maine	5% percent of equalized taxable property <i>or</i> five percent of total acreage
Nevada	For municipalities with populations under 100,000, 15% of total assessed property value; For municipalities over 100,000, 10% of total assessed property value
New Hampshire	5% of total assessed value <i>or</i> 3% of total acreage
Oregon	For municipalities with under 50,000 people, either 25% of total assessed value <i>or</i> 25% of total land area; For municipalities of over 50,000, 15% of total assessed property value <i>or</i> 15% of total land area
Pennsylvania	10% of equalized taxable property
Rhode Island	25% of aggregate property value
South Dakota	10% of aggregate assessed value of taxable property plus the incremental tax base of all TIF districts
Wisconsin	5% of equalized assessed value

⁴ Richard F. Dye and Therese J. McGuire, "Illinois' Tax Cap: How Does it Fit After Ten Years?" July 2001, Taxpayer's Federation of Illinois: Illinois Tax Facts.

⁵ Sources: NCBG research and "A Review of State Tax Increment Laws" by Craig L. Johnson and Kenneth A. Kriz in Tax Increment Financing and Economic Development: Uses, Structures and Impact. Craig L. Johnson and Joyce Y. Man, Editors. Albany: State University of New York Press, 2001.



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How can I find out more information about my TIF?

Locating Information About TIFs: Key Facts

- The full text of TIF plans, eligibility studies, and redevelopment plans can be found in the City Council *Journal of Proceedings*, which is available at the Harold Washington Library, or from the Dept. of Planning and Development.
- A “redevelopment plan” is the document that sets the overall direction for the TIF when it is first established. “Redevelopment agreements” are City contracts that award TIF subsidies to a specific developer.

It’s not always easy to find out information about the TIF districts in your neighborhood. But remember — *this is public information that you are entitled to see*. With a little work, you should be able to obtain the key documents you need. Always feel free to call NCBG if you need help finding information, or check out NCBG’s web site — www.ncbg.org — where we’ve already done a lot of the leg work for you.

The Redevelopment Plan, Eligibility Study, and Housing Impact Study

Before a TIF district is formally proposed to the Community Development Commission, the City’s Dept. of Planning and Development (DPD) hires a private consultant to conduct an “**eligibility study**.” That study determines if the proposed area qualifies as a TIF district. In other words, the eligibility study is supposed to determine whether a neighborhood is “blighted” or in danger of becoming blighted. The eligibility study is included at the end of the redevelopment plan.

If the consultant determines the area qualifies as a TIF district, then DPD and the consultant develop a “**redevelopment plan**” — a general roadmap for what types of investment should take place if the TIF is ultimately approved. The redevelopment plan also includes some specific zoning recommendations (such as changing industrial property to residential use), and frequently includes an “**acquisition map**” that lists specific properties that the City is allowed to purchase. NCBG maintains a library of the redevelopment plans and eligibility studies for all the approved TIF districts, as well as many that have not yet been voted on by the City Council. Members of the public are welcome to make an appointment to stop by to see our library, or you may call DPD directly at 312-744-4190 to get your own copy.

In TIFs where 10 units of occupied housing will be displaced, or 75 units of occupied housing are included within the boundaries of the TIF, the City is required to conduct a **Housing Impact Study**. This is only true for TIFs established after November 1999, when the State TIF reform law was signed. The Housing Impact Study includes information about the number of units of housing that will be displaced, the demographics of the people who lived in those units, and what plans the City has to relocate those people to new affordable housing. The Housing Impact Study is included as part of the redevelopment plan.

(For more information, see the NCBG fact sheet, “TIFs and Housing,” p. 33.)

The Redevelopment Agreement

After a TIF is approved, the City negotiates specific contracts with private developers to carry out the goals of the redevelopment plan. For example, the City could help a manufacturer to expand a factory located in a TIF district, or subsidize the construction of a new movie theater complex. These contracts — known as “redevelopment agreements” — spell out specific details of projects, including the subsidies received by the private developers.

If you can’t get a redevelopment agreement from DPD, refer to the attached chart to find the date on which the City Council approved the project. Then, go to the Municipal Reference Section on the fifth floor of the Harold

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Washington Library (400 S. State Street). Ask where to find the *Journal of the Proceedings of the City Council* for the date on which the redevelopment agreement was approved. Refer to the page number listed on the attached chart — that is the page in the *Journal of Proceedings* on which the redevelopment agreement begins. The entire text of the redevelopment agreement will be included in that volume. Summaries of redevelopment agreements are posted at www.ncbg.org. (For more information, see the NCBG fact sheets, “TIFs and Housing,” p. 33, “TIFs and Small Businesses,” p. 42, and “TIFs, Jobs, and Industry,” p. 51.)

The City's Annual TIF Reports

As part of Mayor Daley's Executive Order 97-2, issued on December 1, 1997, the City of Chicago pledged to release an annual report on the performance of each TIF district no later than July 1 of each year. This requirement was later confirmed by the State's TIF reform law. The first reports were released on June 30, 1998, and contain information on the 44 TIF districts that had been established as of December 31, 1997. The reports do contain some valuable information on expenditures, revenues, changes in property value, and contracts paid with TIF dollars, though on the whole the reports are incomplete and can be confusing. Ask DPD for a copy of the report for your TIF district, or stop by NCBG to view the complete set. NCBG can also help you “decode” the report and interpret the information within it. NCBG has summarized most of this information in the TIF profiles available on our web site.

The City of Chicago's Capital Improvement Program

Each year, the City of Chicago publishes a five-year plan that details how it expects to spend its public works dollars (known as the Capital Improvement Program, or “CIP.”) The CIP only includes planned infrastructure spending — “brick and mortar” items such as street paving, sewers, libraries, and police stations that are likely to last at least five years. The CIP does not include routine operating expenses such as employee salaries or city services (street cleaning, garbage collection, etc.).

The only place you can find out about infrastructure projects funded with TIF money is through the CIP. ***Public works projects funded with TIF generally are not reported in the City's annual TIF reports.*** To date, most TIF-funded public works projects have been downtown. Locating TIF projects among the many items in the CIP can be difficult; if you have questions about whether there are any TIF-funded infrastructure projects in your neighborhood, contact NCBG. If you want a copy of the City's CIP, call the Office of Budget and Management at 312-744-6142. (For more information, see the NCBG fact sheets, “TIFs and Infrastructure,” p. 68, & “What is Chicago's CIP?”, p. 160.)

What Should You Be Looking For in These TIF Documents?

What types of redevelopment projects is the City planning to subsidize? Are these projects likely to improve your neighborhood? Should these be the City's top priority, or are there other, more pressing projects?

How much money is allocated for:

- Public improvements and infrastructure — roads, sidewalks, parks, schools, etc?
- Job training and education programs?
- Direct subsidies to developers?
- Administrative costs and legal fees, including contracts with private “TIF administrators”?

Is it possible that the City might acquire private property as part of the TIF? Redevelopment plans often include an “acquisition map” that shows properties that the City might acquire in order to fulfill the goals of the TIF. Just because a property is on the acquisition map does not necessarily mean the City will go ahead and purchase it, but that property is “fair game.” The City can take these parcels through the power of eminent domain if it pays the owner “fair market value.”

How well is the TIF performing? The annual reports include information about how much new tax revenue the TIF has created, how much property values have increased, job creation, and private investment.

Has the City issued any bonds on behalf of your TIF district? If so, for how much? By issuing a bond, the City borrows money that can be used immediately to “jump start” redevelopment and pay it back through future TIF funds.



NEIGHBORHOOD CAPITAL BUDGET GROUP

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TIF Redevelopment Agreements

Below is a list of all the TIF redevelopment agreements approved by the Chicago City Council, as well as a summary of the private investment generated and the TIF subsidy provided. The list includes agreements for projects that were approved but never constructed, though we list the private investment and TIF subsidy numbers as "0." If you want to look at the original text of the redevelopment agreement, we have provided the date it was approved and its page number in the City Council's *Journal of Proceedings*. To find the document, look up the Journal of Proceedings for the date given and turn to the page number listed. The agreements are often 100 pages or longer.

TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
126th/Torrence	CenterPoint Properties Trust	Joint venture: Ford Motor Land Dev. Corp. & Center Point Properties Trust; Ford supplier companies; \$85 M in roadway and infrastructure improvements	\$0	\$16,100,000		
24th/Michigan	Chicago Public Schools/National Teachers Academy	\$47 million in TIF funding from adjacent River South TIF	\$0	\$47,000,000	3/27/02	
35th/Halsted	Mircale LLC	Rehab of 35,000 SF warehouse and distribution facility by Miracle LLC, which restored building and sold it to Pepsi-Cola.	\$17,050,000	\$1,650,000	4/21/99	91813
	Trippe Manufacturing Co.	Demolish certain improvements currently on site and rehabilitate existing 920,000 SF manufacturing facility.	\$7,390,000	\$1,600,000	7/29/98	74346
41st/King Drive	Paul G. Stewart Apartments	13 floor high rise building with 96 units of affordable housing.	\$7,554,961	\$1,750,000	7/13/94	52645
43rd/Cottage Grove	Hearts United	116 units of scattered site affordable housing, including 29 CHA replacement units.	\$10,966,613	\$6,927,430		
	Hearts United Phase II Limited Partnership	Construct 107 units of housing, 75 of which will be affordable, on 16 residential sites owned by City.	\$12,561,156	\$3,400,000	6/28/00	36217
	Hearts United III Corp., Bonheur Corp.	53 apartments, 9 buildings; called the Leotyne; 13% market rate. 87% affordable	\$8,644,799	\$1,400,000	11/28/01	72171
43rd/Damen	Farley Candy	Relocate candy company's warehousing and distribution facilities, including constructing five buildings totaling 535,354 SF	\$8,000,000	\$3,000,000	8/3/94	53972
45th/ Western	John Maneely Co., dba Wheatland Tube Co.	Expansion of Wheatland Tube Co.; build new warehouse; \$1.8 million -- from TIF proceeds	\$21,200,000	\$1,800,000		
49th/St. Lawrence Ave.	Willard Square Ltd.	15 three-story, six unit buildings, 1 three-story 41-unit building, 2 three-story 3-unit buildings, & 1 100-unit building with 80% of units to people with incomes of less than 60% of median Chicago income & 20% to those with incomes below 80% of median.	\$9,618,041	\$1,034,800	7/31/96	26263
60th/Western	CSX InterModel, Inc.	NIP to finance acquisition and rehab of vacant and/or foreclosed resident properties City receives funds from CSX to be used	\$0	\$0	10/3/01	68168

		for eligible redevelopment costs				
	K-Mart		\$0	\$3,700,000		
TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
	Plitt/Inner City Entertainment Southwest, LLC	45,800 SF movie theater.	\$9,268,871	\$2,652,290	6/4/97	46105
79th Street Corridor	Auburn-Gresham, LLC	Commercial building at 78th and Halsted. Developer is Lake Shore Development and Construction, 555 W. Jackson; Public benefits include mentoring and speaking at schools and offering summer internships.	\$0	\$385,000	3/7/01	53145
	Halsted New City Retail	Sale and redevelopment agreement; 7918 - 52 S. Halsted \$185,000 & \$177,011 credit at closing -- 20,000 SF retail development; sale for \$680,000 of 801-25 W. 79th & 7902-16 S. Halsted for bank facility and 6000 SF retail building	\$0	\$0	2/7/01	51644
89th/State	Chatham Club LLC	Construct 143 new single-family homes, 20% affordable, including 22 of the first 75 units; playlot & open space on 38 acres; developer: Bejco.	\$30,037,500	\$3,600,000	9/9/98	76256
95th/Stony Island	95th-Stony LLC	180,000 SF community retail center, 79,500 SF Jewel/Osco, 109,000 SF for retail and restaurants, and 830 parking spaces.	\$21,938,203	\$5,125,000	4/1/98	64546
95th/Western	DB Beverly LLC (Borders)	Construct a 25,000 SF shopping center, including a Border's book store, plus parking.	\$4,322,000	\$1,600,000	12/10/97	58619
Addison Corridor North	Midway Games/WMS Industries	Expand electronic game/software company in two phases. Jobs retained for 10 years. New jobs created within seven years. Will provide speakers at career days for Lane and Schurz High Schools	\$2,064,058	\$2,287,150	12/15/99	21000
Addison/Archer Courts	City of Chicago	Preserve & rehab 147 units of federal Section 8 housing at 2242 S. Princeton.	\$8,540,129	\$2,500,000		
Bloomingdale/Laramie	Lakin General Corporation	Negotiated sale of 1815 N. Laramie to Lakin General Corp.; former ATM site. Lakin paid appraised value	\$0	\$0		
Bronzeville	100-114 E. 35 th St.	Also known as 3445-59 S. Michigan Ave. to sell & redevelop building as mixed-use; relocate 14 businesses; preserve the façade; working on tenant settlements	\$0	\$0		
	South Park Plaza L.P.	\$27 million development	\$0	\$2,800,000		
	TIF NIP Program/Neighborhood Housing Services & Community Investment Corp.	Small grants to homeowners and the owners of multi-unit residential properties for exterior rehab and repairs necessary for basic health and safety.	\$0	\$1,000,000	7/21/99	

Bryn Mawr/Broadway	Bryn Mawr-Belle Shore Limited Partnership	Façade improvements to two apartment buildings at 5550 N. Kenmore (the Bryn Mawr Apartment Hotel), and 1062 W. Bryn Mawr (the Belle Shore Apartment Hotel). The project will result in 371 dwelling units, 8 commercial spaces, and parking for 45 cars.	\$12,300,000	\$4,877,000	6/14/97	45924
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
Canal/Congress	U.S. Fitness LLC	Redevelop 3-story building adjacent to Union Station, at 444 W. Jackson St., into fitness/wellness center to be operated by Rush/Presbyterian St. Luke's Hospital.	\$0	\$2,200,000	3/7/01	53044
	Monroe/Clinton, LLC, Quaker Oats	New 17-story, 450,000 SF building to house new corporate headquarters for Quaker Oats, currently at 321 N Clark St, plus ground floor retail. Retain 800 jobs. Quaker commits \$500,000 for open space across from facility and roof garden open to public	\$79,416,231	\$9,750,000	9/27/00	41221
Central Loop	CTF Chicago Hotel Limited Partnership/Gallery 37	Developer provides Gallery 37 with 1,100 SF of space rent-free for five years on first floor of then-Stouffer Riviere Hotel, plus a subsidy of \$50,000. Also includes 1,000 hours of TA by Leo Burnett to neighborhood groups within two years.	\$0	\$0	1/12/94	44359
	Stein/Warshauer	Construction of mixed-use office/commercial/residential tower.	\$118,000,000	\$9,400,000		
	Tremont Theater Row Partnership	12 story parking garage with 11,200 SF of retail on ground floor (Sbarro/Arby's). Garage will have room for 930 vehicles on 11 levels. Developer agrees to pay up to \$350,000 for Couch Place public improvements.	\$0	\$0	3/25/86	28741
	Wabash Randolph Limited Partnership	Parking facility including one level (18,000 SF) of retail and at least 10 levels of parking, plus above-ground pedestrian connection to parcel west of site, and lighting & sidewalks on south side of Benton Court. Never Built.	\$0	\$0	6/28/89	2342
	Miller-Klutznick-Davis-Gray Co.	One first class office tower and additional public improvements. Developer must put \$1,250,000 into an escrow account that the City may use to defray costs of redeveloping the Harris Selwyn Theaters.	\$0	\$0	3/23/89	25806
	Public Building Commission/Page Brothers Building	Renovation and improvement of Page Building and 7,662 SF on the fifth and sixth floors of the Chicago Theater if Chicago and owner enter lease for that space as a business support center. PBC rehabs, then hires manager to operate bldg.	\$0	\$0	11/3/99	13609
	Prime Group (Baird & Warner/Higginbottom/Stein & Co.	Mixed apartment, retail, and office development. Also public improvements including pedestrian bridges across Clark and Dearborn, sidewalk vaults, landscaping, street paving, curbs and gutters, etc.	\$200,000,000	\$600,000	10/15/87	5057

	Oxford House Hotel/Chicago Oxford Associates	Rehabilitate Oxford House Hotel into a "four-star" 191 room hotel, Hotel Monaco, with 5000 sq. ft of meeting space, an upscale restaurant, and a parking garage. Also, developer will donate \$25,000 for a "Green Machine" street cleaner.	\$25,800,000	\$1,700,000	9/9/98	76176
TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
	1 N. Dearborn LLC/Sears/Douglas Elliman Beitler	Sears will lease first four floors as department store and renovate 1st and 2nd floor facades. Developer will also rehabilitate existing office space, roof, mechanical, etc. of 17-story, 900,000 SF building. Also, \$30 million to neighborhood stores.	\$113,881,167	\$13,515,833	11/17/99	19711
	201 N Wells Investors/American Invesco	Parkway National Bank acquired historic Trustees System Services Building and sold it to developer to renovate existing office space into 293 rental residential units (flrs. 3-28, 20% affordable) plus 1st and 2nd floor retail/office.	\$36,150,400	\$7,000,000	3/15/00	27135
	330 S. Michigan LLC	Renovation and rehabilitation of lower 14 stories into office space, upgrade sprinkler/safety system, construct first-floor retail space, and parking.	\$21,308,030	\$2,030,000	5/12/99	1099
	AFS Intercultural Programs, Inc.	\$2 million grant and \$3 million loan to AFS to defray costs of rehabbing building. AFS will contribute \$8 million. Loan is interest free for 10 years, then will accrue 6% annual interest.	\$0	\$0	12/11/91	10577
	EthnicGrocer.com	Subsidy pays for improvements to the 12th floor space leased by this startup e-retailer. Douglas Eliman Beitler owns the building.	\$1,400,663	\$1,148,255	7/19/00	37931
	American Youth Hostels -- Chicago, Inc.	Redevelop 7-story building into 250-bed youth hostel and 120 dorm rooms for Columbia College. Also an international student center, ground-level retail, new sidewalk vaults and landscape improvements.	\$10,500,000	\$3,500,000	12/2/98	86082
	Michigan Wacker Associates	Renovation of Mather Tower, 75 E. Wacker Dr. TIF funds pay for stabilization of exterior; Funds from bonds (series 1997B \$91 million bond issue or Series 2000, \$250 million bond issue. Renovation to include reconstruction of the building's cupola.	\$7,700,000	\$1,500,000	3/28/01	55143
	Baldwin Development Co. (I) -- Reliance Building	Phase I: Study of exterior envelope of historic Reliance Building, a 14-story office building. Redevelopment agreement specifies Baldwin will be reimbursed for study costs up to \$520,000. Daley & George and McClier Corp. also involved.	\$0	\$1,720,000	12/15/93	43765
	Baldwin Development Co. (II) -- Reliance Building	Phase II: Restoration of terra cotta façade on north and west sides of building, masonry work on south and west sides, work on roof cornice, replace windows, reconstruct sidewalk vaults, build first-floor retail space, reroofing & asbestos removal.	\$0	\$6,668,713	11/10/94	59871

TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
	Block 16 Hotel Associates/John Buck/CTF Chicago Hotel Ltd. Partnership	1: Hotel/retail structure including at least 600 rooms/400 suites (Renaissance Hotel). 2: Office tower, 900,000 SF Public improvements: sidewalk vaults, pedestrian bridge, curbs, gutters (Leo Burnett Building).	\$250,000,000	\$1,850,000	3/25/86	28681
	Canal Street Hotel Partners LP	Construct "first class boutique hotel" and restaurant and complete historic preservation and rehabilitation of the Reliance Building. Hotel will be called the Burnham Hotel.	\$19,325,000	\$2,500,000	6/10/98	70712
	Chicago Information Technology Exchange	Acquire and rehab 18-story, 121,000 SF building and convert it into a high-tech incubator with information technology infrastructure designed to attract new and established small technology companies. Completed by 12/31/01. Also first-floor retail.	\$28,521,000	\$8,000,000	5/12/99	1012
	Libra Partners/Americana/Urban Venture	Hotel/retail building w/ 690 hotel rooms and 200,000 sq. ft of retail. Office tower includes 560,000 SF of space. Includes space for transit station & pedestrian bridge. Amendment To 6/20/84 redevelopment agreement.	\$0	\$0	11/28/84	7574
	Mentor Building LLC/Joseph Freed & Assoc.	Renovation and rehab of historic Mentor Building. Retail on floors one and two, office or residential on floors two and three, fitness center in basement, condominiums in upper floors of 17-story building.	\$9,006,161	\$2,500,000	11/3/99	13534
	Hotel Allegro/Palace Theater -- Palmet Venture LLC	Renovate 483-room Bismarck Hotel (renamed Hotel Allegro), 2,350-seat Palace Theater, renovate Metropolitan Office Building, and make improvements to sidewalk and building façade.	\$60,100,000	\$17,600,000	12/10/97	58759
	Harris-Selwyn Theater -- Linpro Chicago Land Limited Partnership	"First class office complex" and rehab of Harris-Selwyn Theaters, including preservation; two office towers; perimeter retail arcade and various public improvements. See project 1505 for funding details.	\$0	\$0	9/14/88	17104
	Goodman/Friedman LLC	Two 99-year ground leases for new Goodman Theater. First lease covers theater portion of property (800-seat main stage, 400-seat studio). Second lease cover "first-class" restaurant, retail space, and office space.	\$0	\$0	6/9/99	4060
	FJV Venture	Execution of unspecified redevelopment agreement for Block 37; 2002: After many failed attempts to finalize and execute a development plan, the City is purchasing the property back from FJV and seeking new developers.	\$0	\$33,972,993	9/23/87	3088
	Dearborn Center LLC	57 story office, retail and parking; Public benefit listed in redevelopment agreement: to come	\$327,000,000	\$10,000,000	10/31/01	70144
TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #

	Commonwealth Edison	Electrical substation and CTA distribution facility. Exterior of structure includes glass displays for civic art and other special architectural treatments. Developer also will plant trees and give \$100,000 to improve the State St. median. No subsidy.	\$0	\$0	3/2/94	45751
	Chicago Theater Group/Linpro Chicago Land Ltd. Partnership/Goodman Theater	Linpro was to acquire theaters and donate them to the City, which would lease them to Linpro. City then enters into an agreement with the Chicago Theater Group (Goodman Theater) to rehab the theater.	\$40,783,000	\$18,800,000	5/16/90	15327
	Fisher Building LLC/Kenard Corp.	Renovate and rehab historic Fisher Building into residential/commercial building with 184 residential apartments, 6,275 SF of first-floor retail space, and 8,200 SF of office or commercial space on second floor. Complete by 12/31/00.	\$27,280,973	\$6,600,000	5/12/99	1179
	Chicago Symphony Orchestra	Chicago Sun-Times, January 24, 2000: CSO declined \$800,000 in TIF funds after an agreement had been negotiated to revamp Symphony Center and the adjacent Chapin & Gore Building b/c they said the TIF-mandated improvements would cost more than the subsidy.	\$64,500,000	\$2,500,000		
Chatham Ridge	Home Depot	131,372 SF Home Depot retail store and 27,972 SF garden center.	\$12,209,527	\$3,200,000	1/14/98	59573
	L&O Partnership #2		\$18,555,160	\$3,151,400	12/18/86	
	Plitt/ICE Chatham, Inc.	Fourteen screen, 2,930 seat, 63,250 SF movie theater with 667 parking spaces.	\$12,728,288	\$3,827,000	5/20/98	68755
	Chicago Public Schools/Simeon High School	3/27/02: City Council approves amendment expanding TIF district to accommodate new Simeon High School; no budget set or TIF funds expended yet; planning for new high school underway.	\$0	\$0	3/27/02	
Chicago/Kingsbury	535 & Montgomery Ward	Redevelop the Ward's high rise building and garage across the street. 606,000 SF tower and 800-space garage across the street	\$0	\$3,500,000	11/15/00	45748
	Eport 600 LLC/Centrum	Redevelopment of historic Montgomery Wards warehouses for commercial use; will issue a tax exempt note and a taxable note; includes affordable housing; \$250,000 scholarship program; job training program	\$0	\$28,500,000		
Chinatown Basin	Jade Garden Limited Partnership	Construct 22 units of affordable housing and related public improvements. All rents must be affordable to families whose income less than or equal to 60% of City's median gross income.	\$7,372,821	\$318,621	5/9/96	21594
	Chinese-American Development Corp.	Construct 280 townhomes and condominiums, 56 retail units, one oriental-themed open-air mall, a 100,000 SF Asian trade center, and a 200 room hotel.	\$16,000,000	\$5,933,040	4/25/90	14524
Clark/Ridge	Raven Theater		\$0	\$0		
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #

Devon/Western	1st Mutual Bank of Illinois	Demolish present buildings and construct an 11,000 square foot banking facility. Reconstruct current city parking lot. TIF assistance from available increment	\$3,542,850	\$500,000	3/28/01	55217
Division/Hooker	Federal Express Corp.	120,000 SF sorting and distribution facility for Federal Express Corp.	\$10,764,215	\$2,200,000	7/10/96	24604
Division/North Branch	River North Distributing	79,000 SF warehouse/distribution facility plus 85,000 SF of parking. Uses liquor tax to help finance bonds.	\$7,900,000	\$2,615,000	4/12/91	31837
Drexel Boulevard	Jazz on the Boulevard	Jazz on the Boulevard; 4.3 acres along Drexel between 41st St. and 42nd Pl. 144 units, mixed income; houses, townhouses, condos, apts. City owns 1.7 acres - sell for \$1; CHA owns part of site -- will give 99 yr lease;	\$0	\$0		
Eastman/North Branch	Tru-Vue, Inc.	Rehabilitation of existing structure and construction of a 40,000 SF manufacturing building.	\$4,234,000	\$620,000	10/7/93	38603
	Essanay Studio and Lighting Co.	Construction of a new sound-stage production facility. Rehab of 10,315 SF and construction of two additions totaling 26,415 SF housing two soundstages, warehouses, and offices. Also, repair of seawalls and water/sewer utilities.	\$2,528,000	\$381,532	6/14/95	2190
Edgewater	First National Realty & Development/American National Bank (Trustee)	Multi-tenant retail mall in three one-story buildings containing 52,440 SF of retail space plus parking and a CTA bus turnaround on 2.3 acres located at the SE corner of N. Broadway and W. Berwyn.	\$4,800,000	\$1,100,000	2/7/90	10838
Englewood	Englewood Commercial Development Co./Smithfield Properties	6-bldg development, 176,000 SF with 72 storefronts; merchants will move from 63rd-64th St. Smithfield Properties is consulting developer, with no ownership interest; City will buy 12 parcels (appraised value, \$832,000) and sell them to developer for \$1	\$9,100,000	\$5,400,000		
Fullerton/Normandy	Home Depot	Renovate & reconstruct a 130,000 SF Home Depot, 28,000 SF garden center, 120,000 SF of other retail, and a 200 car parking lot.	\$14,400,000	\$3,100,000	10/5/94	57401
Goose Island	Gooseland Venture/David Kahnweiler	Construction completed on 4 industrial warehouse/distribution facilities on 10.57 acre site. Includes provisions that developer must pay prevailing wage and clawbacks if job retention and creations are not met within 12 months	\$13,570,460	\$1,358,000	7/7/99	6440
	Republic Windows and Doors Inc	Original Budget: \$20,156,402. Actual Budget: \$36,987,715. Original Subsidy=\$6,525,000. Added subsidy includes \$599,694 of bond funds, a \$1,108,889 project note, and \$1,391,111 in pay-as-you go funds.	\$27,363,021	\$9,624,694	9/11/96	27849
TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #

	Riverworks, LLC	Phase I: Rehab (completed) of two existing buildings (144,000 SF) and construction of new 30,000 SF building for Sara Lee to relocate bakery and R&D operations. Phase II: 88,000 SF building by 12/31/00.	\$43,799,384	\$5,000,000	6/7/00	34576
Homan/Grand Trunk	Stellar Distribution	75,000 SF warehouse and distribution facility.	\$2,706,100	\$518,836	4/13/94	48234
Howard/Paulina	Combined Development, Inc./Gateway Housing	95 1-2 bedroom dwelling units in which at least one resident is a senior citizen, plus 35 parking spaces. Loan agreement for HUD Home Funds.	\$5,400,000	\$0	6/28/00	36210
	Combined Development/Howard LLC	Construct retail shopping center including a 71,000 SF Dominicks store, a large retailer (15,000 SF) and other retail, and a Cineplex Odeon 8-screen movie theater, 576 parking spaces, CTA offices, station, and bus stop.	\$0	\$0	6/10/98	70886
	Combined Development/Howard LLC	Amended and restated. Includes \$250,000 for job training.	\$40,000,000	\$8,000,000	6/9/99	4135
	Howard Theater, LLC	40 affordable rental units, 11 parking spaces, and 10 commercial storefronts. Rents should not exceed 30% of maximum allowable income for low-income families, defined as 80 percent of Chicago's median income.	\$2,911,800	\$878,200	7/29/98	74417
Irving/Cicero	Six Corners Development, LLC	Construct a 117,000 sq. ft shopping center and improvements, including a Jewel food store and a Marshalls department store.	\$15,574,000	\$3,700,000	9/11/96	27934
Jefferson Park		Put 5 properties on acquisition list; to redevelop west side of Lawrence Ave. near Milwaukee; gateway to Jeff Park; mixed use; Likely developer: Kozonis -	\$0	\$0		
	TIF SBIF Program/SomerCor 504	Direct grants to individual small businesses to make facility improvements. SomerCor504 is a non-profit that services SBA loans in Chicago area; they work with area banks.	\$0	\$750,000	7/21/99	8307
Kinzie Industrial	TIF SBIF Program/SomerCor 504	Direct grants to individual small businesses to make facility improvements.	\$0	\$1,000,000	7/21/99	8307
	MarchFirst, Inc.	High-tech office park and campus for merger of Whittman-Hart, Inc. and U.S. Web/C.K.S. including a 5- and 7-story office building, a 9-story parking garage, atrium, amphitheater, and outdoor courtyard. Funded with bond.	\$116,126,447	\$23,500,000	5/17/00	32263
Lake Calumet Industrial	Keebler	Keebler & Atlantic Financial Group -- expansion of Keebler facility -- into a steel company facility TIF note: \$2,000,000 plus \$1.1 million property tax break.	\$16,300,000	\$2,000,000	5/2/02	
		Intergovernmental agreement with IL Dept. of Natural Resources; get \$4 million (Openlands Project) from State to purchase existing wetlands	\$0	\$0		
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
Lakefront	Lake Park Crescent	510 unit, mixed income development of condos, townhouses, and rental apts.	\$0	\$0		

Lawrence/Broadway	Uptown Goldblatts Venture LLC	Redevelopment of Goldblatts store; Joseph Freed & Assoc.; 37 condos, 8 of which affordable at \$100,000 to \$155,000; retail on 1st floor -- possibly Borders; \$1.25 M of TIF subsidy to be funneled to Leland Hotel redevelopment	\$18,650,000	\$5,750,000		
	Leland Neighborhood Development Corp.	Redevelopment of Leland Hotel into an SRO, 133 units; including community arts group; see Goldblatts redevelopment agreement -- gets \$1.25 million of TIF funds	\$11,150,000	\$1,250,000		
Lawrence/Kedzie	Albany Park Community Center/Neighborhood Investment Fund	NIP Program; 1 unit=\$10,000; 2 units=\$12,500; 3 units=\$15,000; 4 units=\$17,500; 5 units=\$20,000; 6 units=\$22,500	\$0	\$1,000,000	7/19/00	37788
Lincoln Avenue Corridor	Motel redevelopments	Intent to redevelop 5 motel properties on Lincoln Ave. City already has acquisition authority -- City will give up to \$500,000 in assistance to developers, per hotel site	\$0	\$0		
	BGP Lincoln Village LLC	Redevelopment of Lincoln Village Shopping Center. Increase size by 20,000 SF; provide 109-unit senior housing and Borders Book Store	\$23,756,404	\$4,950,000		
Lincoln/Belmont/Ashland	Lincoln-Belmont-Ashland LLC	90,000 SF of retail space. 176 parking spaces, 80 loft condominiums, and 47 townhomes.	\$29,539,763	\$7,500,000	11/30/94	62325
Midwest	SomerCor	NIP and SBIF; SomerCor administers; agreements with Community Investment Corp. and Neighborhood Housing Services	\$0	\$4,900,000	10/31/01	69965
	AidsCare, Inc. PHASE I	AidsCare Facility; OK'd with amendments by CDC negotiated sale of city-owned lots; not asking for TIF assistance --	\$0	\$0		
	Aids Care Inc., Phase II and III	Phase II: Supportive Services facility; Phase III: wellness & multi-purpose center; sale of 12 city-owned lots on 1200 block of S. Sawyer and 1200 block of S. Kedzie for \$1; 6 other lots to be purchased privately; 2 lots conveyed from CHA	\$0	\$0		
Montclare	Montclare Senior Residences, L.P.	Construct 153-units of affordable housing for senior citizens. This entry is a bond and loan agreement. Future TIF revenues have been promised,	\$20,937,147	\$0	9/27/00	40787
Near North	North Town Village, LLC	(1)116 rental units, 39 rented to CHA, 39 more will be affordable to households @ or below 60% of area median income; (2) 145 for sale units, 93 @ market, 12 sold to households @ 120% of median, 40 leased to CHA.	\$46,400,000	\$8,600,000	12/15/99	20737
	Chicago Public Schools/Walter Payton College Prep	6/2000: \$11,250,000 million for Walter Payton College Prep 135,000 SF @ total cost of \$31,000,000.	\$0	\$11,250,000	11/17/99	19686
	Chicago Public Schools	\$7,600,000 for Jenner Academy; 36 classrooms, 96,000 SF @ total cost of \$19,272,247.	\$0	\$7,600,000	11/17/99	19686
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
	Chicago Park District	Expand and rehab Seward Park from existing fieldhouse north to Division Street.	\$0	\$3,200,000		

Near South	Wabash Ltd. Partnership	Rehab adjoining 3 and 10 story structures. Create 87 one/two bedroom condos of 860-1,800 SF each, 56 indoor parking spaces and 64 outdoor parking spaces.	\$10,475,698	\$2,000,000	9/14/94	55609
	Vietnam Veterans Arts Group	Vietnam Veterans museum. Phase I: Historic restoration. Phase II: Electrical improvements and decoration.	\$0	\$0	2/7/96	15425
	Senior Suites Chicago	Six-story, 71,586 SF building including 96 units of low- to moderate-income senior citizens.	\$3,547,600	\$960,000	7/13/95	4296
	Roosevelt LLC	Convert Roosevelt Hotel into condominiums; Developers are Allison Davis, and Frankl & Giles, both at 1538 St. State	\$5,000,000	\$2,350,000	12/13/00	47693
	Public Building Commission/Chicago Park District	Board of Education conveyed parcel of land to Park District for park at 14th Pl. and Wabash Ave. Public Building Commission handles construction.	\$0	\$1,300,000	12/15/99	21150
	Chicago Public Schools/Jones Academic High School	October, 2001: City Council approves \$52 million for Jones	\$0	\$52,000,000	10/1/01	
	Central Station Development Corp.	Commercial, retail, exhibition, office, hotel, residential, institutional, and public use. Commitment to construct 20 percent affordable housing (up to 400 units). Phase I includes sewer, landscaping, parkland, mainly site prep and demolition.	\$104,183,600	\$10,689,000	7/24/91	3400
	Educational Advancement Fund, Inc.	Educational Advancement Fund to develop 1700-bed dorm for DePaul, Roosevelt and Columbia Colleges on State St. between Congress and Harrison; buying property for \$1 (prop value is \$5 M)	\$0	\$3,000,000		
	American Store Properties, Inc.	40,000 SF grocery/drugstore. 137 parking spaces and 21 employee spots. Two 1,000 SF retail stores in parking lot. \$100,000 for rehab of Roosevelt Road El Station.	\$18,621,090	\$2,000,000	6/7/00	34682
	Reliable Building, LLC	Construct retail/restaurant/residential development on vacant land and rehab existing building owned by developer. Includes 7-story residential development with first-floor retail.	\$0	\$0	6/9/99	4028
Near West	Chicago Christian Industrial League	DPD to sell 3.6 acres to Chicago Christian Industrial League for residential training facility in Western/Ogden TIF -- \$1.5 M in TIF assistance will come from Near West TIF for relocation/ remediation of former League site; SEE WESTERN/OGDEN TIF	\$0	\$1,500,000		
	Fogleson Development Corp./H2O Plus, Inc.	New corporate headquarters for office, including laboratory, manufacturing, and warehousing purposes.	\$4,453,000	\$1,084,115	7/2/92	18332
TIF District	Developer/ Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
	United Hellenic American Congress/Hellenic Museum and Cultural Center	Museum and cultural center	\$11,766,333	\$3,500,000	2/6/02	78442

	United Hellenic-American Congress	Three Grecian pillars, two pavilions, attendant pillar and bench.	\$44,670	\$1,330,000	7/10/96	24762
North/Cicero	Chicago Transit Authority	City purchase of 658,449 SF. former bus barn site from the CTA to complete land acquisition for North/Cicero shopping center. City will pay CTA in installments from TIF revenues.	\$0	\$3,290,000	4/21/99	91886
	North & Cicero Development LLC	173,000 SF shopping center and retail facility plus public improvements.	\$17,478,550	\$3,000,000	4/21/99	91897
Northwest Industrial	Chicago Beverage Systems/Capital Realty/Vamderwood Realty	Redevelopment agreement: site has existing building and vacant lots. Chicago Beverage will use 213,000 SF existing bldg. and add 400,000 SF; TIF assistance \$1.2 M includes \$1,050,000 developer note and \$450,000 in job training	\$0	\$1,200,000		
	Home Depot	Intent to negotiate a redevelopment agreement with Home Depot; 118,000 SF store, plus garden center and 500-car lot; an industrial building will be demolished (EKKO Housewares); city claims extraordinary development costs including environmental;	\$0	\$3,100,000	2/7/01	51294
Ohio/Wabash	Medinah Temple/Tree Studios	Redevelop Medinah Temple -- include Bloomingdales furniture store and renovation of Tree Studios Apartments	\$38,000,000	NA	2/7/01	51294
Pilsen Industrial	Chicago International Produce Market LLC	436,224 square foot facility to be used as a warehouse and distribution facility for produce industry; two-phase project	\$49,440,129	\$9,000,000	3/28/01	55036
	Steiner Corp. (American Linen)	Construct 161,000 square-foot industrial linen supply company and rehab 10,000 SF of office; use a tax increment allocation revenue note	\$0	\$3,560,000	10/31/01	70230
Read-Dunning	Eli's Cheesecake	\$500,000 Industrial Retention and Expansion Loan to add 14,800 SF addition to warehouse and manufacturing facility. No TIF funds.	\$1,000,000	\$0	9/27/00	41211
	Chicago-Read Dunning Joint Venture Limited Partnership	Phase II I: \$843,648 for Ward Yard. Rest of property goes to Eli's Cheesecake & parking for Wright College. Includes built-to-suit industrial and new residential development.	\$3,931,633	\$6,156,352	9/14/94	55670
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
	Eli's Chicago's Finest, LLC	Warehouse/industrial/distribution building.	\$7,237,000	\$1,300,000	2/8/95	65142
	Spectra Merchandising International, Inc.	Detailed redevelopment agreement may follow.	\$0	\$300,000	5/17/00	32223
	The Alter Group, Ltd.	Phase II environmental audit of residential and industrial properties. Pre-final engineering for streets and infrastructure. Phase I audit was issued in August 1991.	\$0	\$300,000	10/14/92	22017

River South	Chicago Public Schools/National Teachers Academy	funds toward the \$47 million in TIF funding approved 3/27/02 will come largely from River South TIF	\$0	\$0		
	Wicklander Printing Campus Partnership	purchase property City in order to expand existing business; \$1,225,000; plus agreement to redevelop to 50,000 SF building for mailing operations; 35,000 SF building for binding operations, and 26,000 SF parking lot	\$0	\$0	7/25/01	64472
	Clark/Taylor LLC	Streets, alleys, utilities and other improvements; property to be dedicated to the city to establish a street grid	\$0	\$8,616,793	11/15/00	45648
	Public Building Commission	TIF subsidy to the Public Building Commission for the construction of a new 1st District Police Station. Funds used for property assembly costs.	\$0	\$1,200,000		
Roosevelt/Canal	Soo T LLC	Construct 98,000 SF retail shopping center including 70,000 SF Dominicks supermarket and 30,000 SF of other retail space, plus 750 parking spaces.	\$15,849,361	\$4,500,000	10/30/96	30233
Roosevelt/Cicero	Central City Studios, LLC	Project listed in 1999 Annual Report, but has not appeared in City Council records. NOTE 9/1/01: NO AGREEMENT HAS YET BEEN SIGNED	\$150,931,985	\$21,000,000		
Roosevelt/Homan	Plitt/Inner City Entertainment Lawndale LLC	40,000 SF movie theater.	\$7,018,000	\$3,335,000	3/19/97	41048
Roosevelt/Union	University of Illinois Board of Trustees	750 units of student apartments, 890 units of separately-financed private for-sale housing, stand-alone retail, adaptive reuse of Maxwell Street facades, Academic Superblocks #1 and #2 by 12/31/05.	\$467,300,000	\$75,000,000	11/10/99	14797
Ryan Garfield	Ryan Center Limited Partnership	95,000 SF Ryan Garfield Community Shopping Center and related parking.	\$6,140,000	\$2,315,000	9/9/87	3125
Sanitary Drainage & Ship Canal	Hawthorne Realty Group	Redevelop 31 acre industrial park. Includes \$3 million in CDBG funds to help with project.	\$0	\$1,200,000	7/24/91	3362
	National Wine & Spirits, Inc.	Rehab 320,000 SF building owned by National Wine & Spirits. Purchase and rehabilitate 360,000 SF warehouse and distribution facility.	\$9,700,000	\$4,460,000	2/10/93	28265
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
South Chicago	Neighborhood Housing Services	Designate Neighborhood Housing Services as Program administrator for NIP program to make grants for residential improvements; 2-year agreement.	\$0	\$0	6/6/01	59091
	Neighborhood Housing Services	Issue Tax Increment Allocation Revenue Note (Series 2001) for Program Costs for South Chicago Redevelopment Area	\$0	\$1,200,000	6/6/01	59123
South Works Industrial	Solo Cup Corp.	Solo Cup to develop an industrial facility; a second facility may be built in future (Phase 2)	\$71,500,000	\$21,000,000	5/2/01	57087

	USX Corp./USX Realty Dept.	Designates USX as developer of whole site; Sale of site for Solo Cup; Total of \$8,943,739 in three phases: \$4,734,739 cash; Phase I note: \$2,992,489; Phase II note: \$1,216,511; USX also conveys parcels to city for roads and open space	\$0	\$0	5/2/01	56994
Southwest Industrial Corridor East	Gateway Park, LLC	Phase I: 660,000 SF of build-to-suit industrial space (including StyleMaster) on former fly dumping site. Phase II: Up to 750,000 SF of additional industrial space. Jobs promised within 24 months, maintained for 10 years.	\$30,159,127	\$14,000,000	6/9/99	4238
Southwest Industrial Corridor West	Washington Street Aviation	CDC 4/9/02: ATA Training center hotel, restaurant intent to negotiate a redevelopment agreement and ground lease with Washington Street Aviation for use of TIF bond proceeds or revenues for acquisition by the city of 4700 W. 72nd & get redevelopment proposals	\$0	\$24,000,000		
Stockyards Industrial-Commercial	Culinary Foods, Inc.	Construct a 100,000 SF manufacturing and warehouse facility.	\$17,909,033	\$5,000,000	6/16/94	51604
	Yards Developers, Inc.	250,000 SF shopping center including a grocery store, major retailer, pharmacy, and small shops, funded with bond money.	\$16,085,000	\$2,915,000	5/24/89	1125
Stockyards Southeast Quadrant	Luster Products, Inc.	Develop new 16,000 SF manufacturing, warehousing and distribution facility using Stockyards TIF bonds.	\$7,705,022	\$5,000,000	12/21/92	27471
	Stockyards Inn	Conversion of Exchange Building to an upscale restaurant and banquet facility. Building bought for \$84,700; parking parcel for \$25,000	\$3,900,000	\$100,000	11/8/00	43972
	OSI Industries, Inc.	Rehabilitate 104,500 SF meat processing/production facility, and construct 20,101 SF addition using bond revenues.	\$12,628,000	\$2,045,370	6/10/96	22955
	Marina Cartage, Inc./Michael Tadin		\$3,407,916	\$1,135,972	2/7/96	15206
Stony Island Commercial/Burnside Industrial	Greenwood Associates, LLC	2 phases: (1) begun 6/5/00 and already completed -- renovation of former shopping center into 12 tenant spaces; (2) to begin 7/1/01: street improvements at E. 87th St and Greenwood Ave. intersection, 3 office buildings total 47,000 SF 160 parking spaces	\$12,881,599	\$2,600,000	1/10/01	49712
TIF District	Developer/Development	Description	Private Investment	TIF Assistance	Date Approve	Journal Page #
West Grand	PetsMart	Construct PetSmart store.	\$3,559,000	\$800,000	6/10/96	
West Pullman Industrial	Chicagoland Redevelopment Partners	Speculative industrial on 7.3 acre Brownfield site; 86,400 SF bldg.; land value \$510,840 they will pay \$319,275; Value of Write down: \$191,565; Also Class 6B tax abatement	\$0	\$0		

	Lewis & Amu Development Corp.	Speculative office development; 2 buildings, each 104,000 SF; land value \$696,960 they pay \$304,920; Value of Write down: \$392,040; Class 6B; 10 acres developed in 2 phases;	\$0	\$0		
	Quality Crouton	Land sale write downs and 6B classification, no direct TIF assistance; Write-down -- \$827,640 -- market value they will pay \$103,455; Value of write-down \$724,185	\$0	\$0		
West Ridge/Peterson	May Company Department Stores	Venture store and shopping center, funded with bond proceeds.	\$9,000,000	\$3,000,000	11/27/86	35017
Western/Ogden	Anixter Village LLC	4/9/02 CDC: publish intent to approve Anixter Village as developer of residential facility for disabled	\$0	\$0		
	Chicago Christian Industrial League	DPD to advertise intent to sell 3.6 acres to Chicago Christian Industrial League for 100,000 SF residential training facility; south of California Ave. Bus. Park; SEE NEAR WEST TIF - \$1.5 M will come from Near West TIF for relocation/remediation	\$11,000,000	\$4,525,000		
Woodlawn	Woodlawn Park LLC/Allison S. Davis Group	39 2-flat buildings. 8 units sold under New Homes for Chicago . Price: \$140,000 to \$235,000. Subsidy cap at \$10M/home or \$30M per 2-flat; 10/31/01: amend redevelopment convey 26 city-owned parcels for 26 SF homes - no payment listed; price: \$145M to \$379M	\$8,556,221	\$2,413,855	7/19/00	38031
	AKArama Foundation		\$0	\$0		
	Kenwood LLC	Property write-down for 25 residential units; 20% affordable				
	TIF NIP Program/Neighborhood Housing Services & Community Investment Corp.	Small grants to homeowners and the owners of multi-unit residential properties for exterior rehab and repairs necessary for basic health and safety.	\$0	\$1,000,000	7/21/99	

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How can I begin
organizing in my
TIF?

TIF Organizing Basics: Key Facts

- The earlier your community gets involved in shaping a TIF, the better your chance of winning changes that benefit the neighborhood.
- The Alderman generally holds the most power in deciding the overall direction of the TIF.
- Don't stop organizing once the TIF is approved. Most of the real decisions are made during the 23-year life of the TIF.

You find out your neighborhood is being affected by TIFs. So what can you do about it? This fact sheet gives you the basics for organizing around the TIF issue in your neighborhood if a TIF is being proposed for the first time and in cases where a TIF has already been established.

Organizing Around a Proposed TIF

Before a TIF has even been passed is the best time to stop the TIF or to make the TIF plan into an economic development tool that will actually benefit your community. No community has been successful yet in stopping a TIF in Chicago, but there are many instances where the boundaries, goals, the acquisition map or the entire plan have been altered to reflect the concerns of **active** groups or individuals.

In many cases, people have been surprised by a TIF proposal in their neighborhood, and have not had enough time to act. This still occurs despite all the safeguards against it. That is why it is essential to have an ongoing relationship with your local Alderman, community organizations and community development corporations. Most recent TIFs were initiated by one of these bodies, almost always in coordination with the Alderman.

If you receive Community Development Commission (CDC) agendas, you will find out about the proposal when the city begins its eligibility study. The CDC must approve the beginning of this process, although there is no opportunity for public testimony at that CDC meeting.

Once you find out that a TIF is being proposed in your community, you will have several formal and informal opportunities to impact the process:

Informal:

- **Community Planning Meetings:** These probably will not happen without some encouragement. It is best to invite all of the stakeholders, and allow for real discussion about peoples' goals for the neighborhood and the different tools that can be used to meet those goals. TIF is just another tool, and should be treated as such. It is important that people are educated on the specifics of TIF's, and

DPD should only be one resource. There are many other community organizations and individuals throughout the city who have experience with TIF and can assist in this education process.

- **Meetings with the Alderman and DPD:** Both of these parties can be included in the larger community meetings, but it is also important to have meetings specifically focused on presenting your community plans to the Alderman and DPD. In those meetings, the means for accomplishing that plan, whether it's a TIF or not, should be presented. If you are supporting the TIF, this is a good time to demand that the Alderman and DPD support an oversight panel for the TIF.
- **Contact With the CDC Members:** While the CDC has never rejected a TIF, they have forced DPD to make changes to address community concerns. This all usually happens before the CDC hearing, so it makes sense to contact the CDC members before the hearing, and to ask that changes be made in the TIF plan.

Formal:

- **Community Meeting:** The City has started holding one meeting *in the community* about a proposed TIF. Testimony is heard at that meeting, and a large turnout will definitely improve your chances of impacting the TIF plan. If the TIF area includes at least 75 units of occupied housing or will cause displacement, the city must hold this community meeting at least 66 days before the public hearing at the CDC meeting. The city is required to mail a public notice to all residences at least 15 days before the local meeting.
- **CDC Hearing:** This is considered the main hearing for the TIF, although the proposal still must be voted on by the City Council. Notice must be published in a paper between 10 to 30 days in advance of that hearing, and every property must receive a notice at least 10 days in advance. Again, testimony will be heard, and having many people testify and support your plan will make an impact. Remember, however, that you will be more successful if this is not the first time that the CDC members have heard your points. Make sure that you have contacted them in advance of this hearing. Also, keep in mind that changes (for the better and the worse) can be made between the community meeting and the CDC hearing, so even if you support the plan, you should be there to hear those changes. The CDC will vote that day.

Good organizing for both the formal and informal processes is necessary to win all of the changes that you want to the plan. Just bringing lots of people to the community meeting and CDC hearing will not make a difference. Those people need to have a clear, coordinated vision for their community. On the other hand, even if you have organized a good public planning process and people are unified in their vision for the community, nothing will happen unless you present that vision to your alderman and the city through meetings and the hearing.

(For more information, see the NCBG fact sheets, "What is the Community Development Commission?," p. 144, and "TIF Oversight Panels," p. 130.)

Information to Gather

When you first hear about a TIF, you should call DPD and your alderman to get the following information:

- **The TIF Redevelopment Plan:** This will tell you the proposed goals, budget, eligibility factors and boundaries for the TIF.

- **The Acquisition Map:** This will outline the properties that the city plans to acquire to implement the plan. This could include vacant lots and buildings, occupied housing, occupied commercial areas and other parcels.
- **The Timeline:** This will tell you when all the meetings and hearings are going to take place.
- **The Housing Impact Study:** If the TIF boundaries include more than 75 units of occupied housing or there will be displacement, the consultant must do a housing impact study. This is a new provision of the state law.

This information could be available at any point in the process, but it must be available once the date for the CDC hearing is determined and adopted.

All of this information should be disseminated as widely as possible, so everyone understands the terms of the TIF. Some communities have been successful in making changes to the budget (adding items), the boundaries, the acquisition map (removing parcels), and the goals. ***These changes were made by constant lobbying of the local alderman, the DPD and the CDC.*** The Alderman generally has the most power in this process.

(For more information, see the NCBG fact sheet, "Locating Information About Your TIF," p. 107.)

Organizing in an Existing TIF

The real impact of the TIF can only be seen once the TIF Redevelopment Plan is passed by the City Council. The plan itself only sets broad parameters for what projects could happen within the TIF. The changes that are made in the community will happen as each redevelopment agreement is passed and implemented.

A redevelopment agreement is an agreement between the City and a developer about the specifics of a development project. The CDC and the City Council must vote on each agreement if the developer is planning on using money from the TIF budget for the project.

If the developer wants to use public (TIF) money, you can impact this decision. The CDC will hold a public hearing downtown on the project, and the City Council will vote. As with the TIF, you can contact the CDC in advance, go to the hearing and testify, and work with your alderman to make sure the project is in line with what you want to see in the neighborhood.

The problem is often hearing about the project before it goes before the CDC. Again, it is important to remain in contact with your alderman, since the developers often will begin by discussing their plan with the alderman. It is also important to be on the TIF Registry of Interested Parties, a recent reform that requires the City to send out notices of certain TIF activities to interested individuals and organizations.

The best way to control the development that happens in a TIF is to approach developers about the projects that fit into your vision for the neighborhood, and coordinate with the alderman and the developer. This will jump start the development in the TIF, since it often takes years for there to be any action. Also, the Alderman is often more likely to work for a project that the community supports.

Several community organizations are currently fighting for the development of affordable housing in their TIF's, and against high end commercial development and big box stores. This fight, however, will take persistence over the 23-year life of the TIF.

(For more information, see the NCBG fact sheets, "The Interested Parties Registry," p. 136, "TIFs and Housing," p. 33, and "TIFs and Small Business," p. 42.)



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State Legislative and Local Policy Reform

TIF State and Local Reform: Key Facts

- Further legislative reforms should be instituted to enhance accountability to taxpayers.
- NCBG has offered recommendations for further reforming the Illinois TIF law as it impacts local policy.
- HB 4053, a reform bill, was passed by the Illinois General Assembly in April, 2002.
- Another bill, requiring annual State evaluation of all TIF districts, has been introduced .

Local Policy Reform

The Illinois TIF legislation, initially passed in 1977 was amended in 1999 to include clearer definitions of blight factors. The 1999 reform mandated housing impact studies for certain TIF districts, added early public notice provisions, created an Interested Parties Registry, and required an annual report for each TIF district, and inclusion of a public member on Joint Review Boards⁶. These reforms have been valuable in ensuring increased accountability and public participation in the creation and administration of TIF districts. However, especially in the City of Chicago, this study points to further needed changes in state law. Therefore, NCBG recommends that Illinois TIF legislation be revised in the following ways:

- Increase the “baseline” of equalized assessed value (EAV) available to taxing bodies by the rate of inflation each year over the life of a TIF district in order to help pay for rising costs associated with development.
- Require local municipalities to perform a detailed analysis of the economic and fiscal impact on all taxing districts that will be affected by a TIF district. This analysis should disclose what the impact on the taxpayer is for each component of the tax rate, and it should include projections over the time period that the TIF will impact the tax rate.
- Require more descriptive and user-friendly reporting process to affected communities and the public at large about TIF implementation and expenditures:
 - Require more detailed and user-friendly reporting of redevelopment agreements proposed and approved for TIF districts so that the public understands what subsidies are being drawn from TIF funds, who received those funds, what type of development will or has taken place and who benefited from that development

⁶ The Joint Review Board (JRB) represents the taxing bodies that levy property taxes from homeowners and businesses within the City limits: City of Chicago, Chicago Public Schools, Chicago Park District, Cook County, City Colleges of Chicago, Chicago School Finance Authority, Forest Preserve District of Cook County, Metropolitan Water Reclamation District, South Cook County Mosquito Abatement District. One member of the public is appointed by other JRB members. The JRB reviews the prospective TIF district meets eligibility criteria and votes on whether or not the redevelopment plan meets the goals laid out in the TIF law. However, the JRB cannot stop a proposed TIF district or make substantial changes to an existing TIF district. If the JRB disapproves the creation of a TIF district, it must provide the City with a written report detailing its reasons. The City then has 30 days to negotiate with the JRB, amend its plan and resubmit it to the board. If the

- Require municipalities to hold annual public meetings in each TIF district, for the duration of the district, at which they would report annual TIF expenditures and updates on the implementation of redevelopment agreements.
- Require County agencies that issue property tax bills to notify taxpayers whose property is in TIF districts of that fact by printing a notice on the face of the tax bill, with the name of the TIF district and how to sign up for the local "Registry of Interested Parties."

2002 State Legislative Update

In mid-April of 2002 the General Assembly passed HB 4053. This legislation further clarifies some of the provisions added to the TIF law in 1999 as part of the TIF Reforms adopted that year. In addition it extends the life of older TIFs in seven downstate communities from 23 years to 35 years. Sponsors of the Bill included: Leitch-Brunsvold-Winkel-Reitz-Wright and Lawfer.

In 1999, more than 100 significant changes were made in the Tax Increment Allocation (TIF) Redevelopment Act. Many of them made changes in the procedures that must be followed in order for municipalities to establish a new TIF or to amend an existing TIF. Municipalities have discovered several legal ambiguities and conflicts that were not apparent when the legislation was drafted. These problems need to be corrected expeditiously so that the TIFs that are being created or amended have a solid legal foundation upon which all future redevelopment projects can rely. HB 4053 makes changes in two procedural areas consistent with agreements negotiated in 1999.

Establishing Consistent Standard for Triggering Provisions Applicable Only to Housing TIFS

Displacing residents from 10 or more inhabited residential units is a standard adopted in 1999 to trigger many of the new housing provisions added to the TIF statute that year. Many of the housing provisions in the law as drafted use inconsistent or conflicting language, that now creates serious problems for municipality's establishing new TIFs or amending existing TIFs. Thus, HB 4053 amends the TIF Act in six places in an effort to permit this standard to be unambiguously and consistently applied.

Notice Provisions: Last year HB 760 incorrectly modified two housing TIF provisions by inserting the phrase "10 or more" at the wrong place in two sentences. The change inserted this phrase before "residents" instead of later in the sentence before "inhabited residential units". This legislation would correct that error; make it consistent with the trigger established by the 1999 amendments and improves municipality's ability to measure the standard consistently.

TIF Amendment Provisions: Elsewhere in the statute the standard for amending a TIF also fails to consistently apply the "10 or more inhabited residential units" standard. This change is made for all three circumstances identified by the statute for amending a TIF district -- before the Public Hearing has been held, after the Joint Review Board has voted to reject a TIF and after the TIF has been established. This legislation corrects these inconsistencies.

Notice of Availability of Redevelopment Plan or Eligibility Study to Residents of the Area Surrounding a New TIF

Last year HB 760 added a new provision that requires municipality's to notify residents living within 750 feet of the boundary of a new TIF about the availability of the Redevelopment Plan or Eligibility Report at the time the Public Hearing is set by the municipality. This language, as written, could be interpreted as requiring notice to residents inside the TIF as well. Notice to these residents is dealt with elsewhere in the statute. The bill also holds harmless municipalities that established TIF since HB 760 became law last summer and did not notify residents living inside the TIF while notifying residents living within 750 feet of the TIF.

Seven Municipalities Seek TIF Life Extensions

By House Amendment, TIFs in seven downstate municipalities were added to the list of TIFs that have been extended by law from 23 to 35 years. Cities with TIF extensions included in HB 4053 are: Aledo, Beardstown, Belleville, Clinton, Freeport, Sparta and Tuscola. All but two of the TIFs extended are sales tax TIFs created before the end of 1986 – more than 15 years ago -- when the sales tax TIF law was sunset.

TIF Evaluation Task Force

HB 3241: Sponsored By: Senator Christine Radogno, 24th District and Representative Robert Ryan., D - Lansing, 79th District

State legislators from both major political parties are concerned about the use and misuse of TIF districts. In particular, Senator Radogno and Representative Ryan have put forth legislation that would require annual evaluation of all TIF districts by the State. A summary of that bill is outlined below:

Introduced in 2001, HB3241 calls for a Tax Increment Financing Evaluation Task Force. The bill was stalled in the state Senate Rules Committee in April 2001. It was amended two times and now includes the following provisions:

“The duties of the task force shall include the following:”

- Study the statewide tax increment reporting systems of other states.
- Based on the study, determine the best methods to use to evaluate the effectiveness of a tax increment financing district.
- Assess the availability of the information necessary to establish a system for evaluating the effectiveness of tax increment financing districts.
- Determine the methods that must be used to collect all relevant needed information.
- Assess the amount of time and money necessary to establish a system for evaluating the effectiveness of tax increment financing districts and whether it would be appropriate to phase in the system.

Creation of a Task Force consisting of 15 members. Public and community representation on the Task Force is conspicuously absent, but the concept of evaluation TIF performance is still intact.

As currently envisioned, the following State officials are included on the Task Force: the Director of Commerce and Community Affairs, the Comptroller, and the Superintendent of Education. Three members would be appointed by the Director of Commerce and Community Affairs to represent small and large downstate municipalities that have tax increment financing districts. Also on the Task Force is one member with experience in tax increment financing appointed by each of the following municipal organizations: the Illinois Municipal League, the Illinois Tax Increment Association, the Northwest Municipal Conference, the West Central Municipal Conference, and the South Suburban Mayors Association. One member would be appointed by the Mayor of Chicago to represent the City of Chicago. Two members, appointed by the Director of Commerce and Community Affairs, are lawyers, planners, or other professionals with extensive experience with Illinois tax increment financing programs, and one member would be appointed by the State of Illinois Director of Revenue.



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How can our
neighborhood organize
an oversight panel for
our TIF?

TIF Oversight Panels: Key Facts

- Oversight panels should be put in place to provide a citizen voice in the creation of TIFs, as well as to provide public input how the dollars are spent over their 23-year life.
- Individual communities have started pushing for oversight panels on a case-by-case basis, though many believe a citywide ordinance establishing these committees is the best course in the long run.

Why Set Up A TIF Oversight Panel?

One of the most common complaints about Tax Increment Financing is that the residents and small businesses that are directly affected by the TIF have little or no say in the process. Rarely is the public adequately involved in the decision to establish a TIF or the process of shaping the plan. In areas where a TIF is already in place, those who are directly affected seldom have input into how TIF dollars are spent, or what types of projects are built, over the 23-year life of the district. To solve this problem, people across the City are talking about establishing citizen panels – and in some cases have established such panels -- that have the authority to influence the TIF process from the earliest stages in their establishment all the way until the last dollar is spent.

There's no easy answer yet to what these panels should look like or how communities can get them in place. But a few things are clear. TIF oversight panels should have the authority to wield real influence in the process. They should be inclusive of all the stakeholders in the community. They should have full access to information about what is planned for the TIF. Finally, they should get involved as early as possible in the process, and stay involved throughout the life of the TIF.

In recent years, some Aldermen have begun to establish TIF oversight panels, or groups that, under a variety of names, are actually oversight panels. The degree of inclusive representation on these panels varies from ward to ward. In other areas, residents have taken the initiative and organized panels, sometimes including the local Aldermen, sometimes not. In addition, TIF oversight panels, whether organized by elected officials or grassroots groups, have a varying amount of full representation from all corners of the community.

The Accountability platform of NCBG TIF Reform Platform (see page 6) is based on the concept that the community in which a TIF district is instituted should be closely involved in development decisions from the beginning of the TIF designation and planning process through the entire life of the TIF district.

Although oversight panels are not mentioned in the State TIF law, there already is a provision in Chicago's Municipal Code that would allow the City to set up these TIF oversight panels. According to the City law, the Community Development Commission "may establish and define the duties of neighborhood advisory councils to assist in any investigation, study, survey . . . or to assist in the carrying

out of a redevelopment plan.” While this provision is not currently used, it could provide a foothold for proponents of TIF oversight panels (Municipal Code, section 2-124-040).

Who should be on a TIF oversight panel?

In short, the TIF panel should reflect the people who live and work in the neighborhood. Some have suggested that the oversight panel could resemble a Local School Council, which elects its members from certain categories. (In the LSC’s case, there are six parents, two teacher representatives, two community representatives, the principal, and in high schools, a student representative). In the case of a TIF district, the composition would obviously be somewhat different. You might consider including representatives from these categories:

- **Homeowners** are directly affected by changes in their property tax bills and have a long-term stake in the health of the neighborhood.
- **Renters** form an important constituency group in many neighborhoods, and may have a somewhat different set of concerns from those who own their own home.
- **Small businesses** are often directly impacted by development in the area, and like residents, have a stake in the overall health of the community.
- **Corporations that have a large workforce in the area** can be major players in the overall redevelopment of a neighborhood, and should be at the table to share information and receive direct input from other stakeholders.

You might also consider including other types of members on the oversight panel:

- **The Alderman.** How to address the Alderman when forming a TIF panel is one of the biggest challenges. Many people fear that the Alderman is likely to either try to control the TIF panel by stacking the deck with individuals he or she supports, or conversely, refuse to recognize the panel at all. Including the Alderman as a de facto voting member *without* any special authority to appoint members might be a solution. Including the Alderman would give the panel a certain credibility that might compel him or her to recognize the panel’s activities, but balancing that participation with a legitimate and diverse range of other constituents would help prevent the Alderman from taking over the panel.
- **Community Organizations.** Local organizations, churches, civic groups, Local School Councils, park advisory councils, friends of the local public library, and similar groups may be able to add certain organizational skills or specific knowledge to the panel, as well as an established network of connections that will help support the panel’s activities.

Whatever the final composition of the panel is, the members should be selected with these goals in mind:

- Encouraging broad grassroots participation
- Including a variety of stakeholders in the community
- Ensuring that members of the panel have a range of skills that contribute to making the panel effective (community organizing background, connections to local organizations, business or financial experience, knowledge of the construction or real estate business, good speaking or organizational skills, etc.)
- Keeping the number of panel members manageable so that it is flexible enough to make adjustments as needed.

What are the roles and responsibilities of the oversight committee?

At a minimum, the responsibilities of a TIF oversight panel can be divided into two phases:

Before the TIF is approved by the City Council:

- Hold and widely publicize a series of meetings to get community input into whether a TIF should be established, and if so, what the redevelopment plan should and should not include.
- Educate local stakeholders about what TIFs are and how they work.
- Make sure the eligibility study and housing impact study are fairly and accurately conducted.
- Follow-up with the Alderman and the Dept. of Planning and Development to ensure that the community's suggestions are incorporated into the final plan.
- Inform all community members about important steps in the process (the public hearing at the Community Development Commission, the date of the City Council votes, etc.)

After the TIF is approved by the City Council:

- Inform the public about planned expenditures and major changes in the TIF, including developer subsidies, public works projects, amendments to the TIF boundaries, changes to land use or the acquisition map, and other major developments.
- Hold and widely publicize meetings on key redevelopment projects or amendments to the TIF well in advance of their introduction to City Council and the Community Development Commission.
- Help to facilitate an ongoing dialogue about what the community's key priorities are, and how the TIF is helping to meet those needs.
- Create a user-friendly yearly report on activities in the TIF and sponsor a public "State of the TIF" meeting at least once a year.
- Help register individuals for the TIF Interested Parties Registry.

These responsibilities would create an advisory body that would help to oversee the activities of the TIF and facilitate community input into the City's activities, but they wouldn't produce a body with the formal authority to approve or reject specific proposals. Ultimately, oversight panels need to have the authority to make binding decisions on key issues, including:

- The ability to veto the creation of a TIF that doesn't serve the needs of the community.
- The ability to accept or reject a TIF subsidy to a particular developer.
- The ability to accept or reject changes to the land use or land acquisition plans within the TIF.

How can a community establish an oversight committee with "teeth"?

There are two ways of transforming your community oversight panel from a group interested in the TIF issue to a recognized power with the authority to exert real control over the TIF:

- **"Bottom Up" Approach:** In some neighborhoods, it might make sense to begin the process of organizing TIF oversight panels right away, before they are formally recognized by the City. By including a stakeholders with a power base in the community, the panels could attract some attention to their conclusions based on the number of voters and taxpayers they represent. Ultimately, these existing panels would become the basis for a city-wide ordinance that formalizes their powers.
- **"Top Down" Approach:** Rather than fighting for oversight panels on a case-by-case basis, groups from across the City could organize around a campaign to pass a City ordinance that establishes *binding oversight panels* in every TIF district. Once the ordinance is passed, community organizations would work to ensure that the panels are fairly and effectively implemented.

Each way of moving forward has its pluses and minuses:

	"Bottom Up" Approach	"Top Down" Approach
Speed	Work can begin immediately.	No panels are in place until a Citywide ordinance is passed.

Power	Aldermen and City may not pay attention to the panel's recommendations.	Once an ordinance is passed, the panel will have legally defined powers.
Public "Buy-In"	The process of creating panels from the grassroots might give the public more of a feeling of ownership.	People may be suspicious of a plan that looks like another program coming down from City Hall.
Good Models	Creating a few real-world "pilot projects" to test which ideas work best will help a city-wide campaign to advocate for the best model.	Without any working panels in place, it might be difficult to create an effective Citywide law.
Fairness	Some neighborhoods will have oversight panels right away, and some won't.	All neighborhoods will have the ability to create oversight panels at the same time.

Either approach requires dialogue among a wide range of community organizations from across the City in order to share good ideas about what TIF oversight panels should look like, as well as to build a power base to win the real battle – more community participation in the creation and implementation of TIFs. In the end, a combination of these two approaches will probably be the most effective in bringing about real reform.

Organizing Your Local Oversight Panel: A Checklist

If your community does decide it want to move forward with plans to create a local oversight panel, here's a list of steps you might want to take to make sure setting up your panel goes smoothly:

- ❑ Inform *all* the organizations in your neighborhood about your plans to begin the process of creating an oversight panel, including those groups with whom you don't always agree. The process should be as inclusive as possible from the beginning.
- ❑ Hold a community meeting to discuss the proposal, inform people about TIFs, and begin to lay out a strategy. Be sure to reach out to individual residents and small business owners as well as organizations. If possible, co-sponsor the meeting with at least one other local group.
- ❑ Encourage the people who came to the public meeting to sign up for the TIF Interested Parties Registry.
- ❑ Establish a core team of interested parties to coordinate the creation of the panel. These are not necessarily going to be the same people who serve on the panel once it is in place.
- ❑ Get a hold of the key documents for your TIF (the redevelopment plan, the eligibility study, the housing impact study, etc.) and learn which projects have been funded with TIF dollars so far.
- ❑ If they haven't attended the public meeting, have the core team meet with your Alderman and the Dept. of Planning and Development to discuss the oversight panel.
- ❑ Draft a plan that lays out the roles and responsibilities of the oversight panel, along with how members will be selected. Circulate the plan for public comment among local organizations and interested individuals.
- ❑ Amend and ratify the plan at a public meeting.
- ❑ Select members to serve on the panel according to the plan agreed upon by the community.
- ❑ Inform the local media about the existence of the TIF oversight panel.
- ❑ If there is a public hearing on your TIF at the Community Development Commission or the City Council, organize a local delegation to testify about the creation of the panel.
- ❑ Push the Alderman to formally recognize the TIF oversight panel and write it into the text of the redevelopment plan for the TIF. Even if your Alderman supports this idea, there is likely to be opposition from the Dept. of Planning and Development, which is wary about putting this sort of true citizen participation in writing.

Who has the power in TIFs?

State	<i>Passes the laws that give local governments the authority to create TIFs.</i> • <u>Strengths:</u> All cities and towns must comply with changes to the State law. • <u>Weaknesses:</u> Winning changes to the State law can be slow and time-consuming.	<i>Collects information on every TIF in the State.</i> In general, the State’s power over individual TIFs is limited to passing legislation that affects all districts. However, the recent TIF reform law requires municipalities to submit data on their TIFs to the Comptroller’s office. This could allow the State to become a “whistleblower” on TIF abuses.
County	Assesses property value, collects taxes, and administers property tax relief programs. County government has virtually no say over whether TIFs are created or how the money is spent. Because the County is in charge of the property tax system, however, it does have some authority over who gets tax relief in a TIF. • <u>Case-By-Case:</u> Taxpayers can appeal their property tax bills to the Assessor • <u>Policy Reform:</u> The Assessor can develop systematic tax relief proposals that must be reviewed and approved by the <i>County Board</i>.	Collects detailed information on property taxes and TIF performance. Like the State, the County is a gold mine of information about how well TIFs are working and what is happening to property values within each TIF.
Local	<i>Department of Planning & Development Staff/City Consultants:</i> Drafts the eligibility study and redevelopment plan, performs the housing impact study, negotiates subsidies with private developers, manages project budget. <i>Community Development Commission/Chicago Plan Commission:</i> Must review TIF proposals and submit them to the City Council with a positive or negative recommendation. <i>Individual Aldermen:</i> Except for their role as a voting member of the City Council, the individual Alderman has no formal powers under the TIF law. <i>City Council:</i> Each TIF plan, redevelopment agreement, or amendment must pass through the City Council Finance Committee and the full Council. On a broader level, the City Council can pass into law TIF policies and procedures that go beyond the requirements of the State law, as long as they don’t contradict it. <i>Mayor:</i> The Mayor can sign or veto TIF proposals that pass through the City Council, and can issue “executive orders” that guide DPD in implementing the TIF program. These executive orders are not as strong as legislation that passes the City Council, and do not outlast the tenure of the Mayor who issued them.	<i>Department of Planning & Development Staff/City Consultants:</i> Because DPD manages additional public hearings, it often controls who knows about the formation of the TIF or which TIF-funded deals may be in the pipeline, and controls access to the planning and budgeting process. <i>Community Development Commission/Chicago Plan Commission:</i> While these bodies rarely say no to a proposal, they do preside over the formal public hearings on TIF redevelopment plans, subsidies, property acquisition, and land use. They can shape a proposal by asking DPD and developers tough questions based on their own concerns or public testimony. <i>Individual Aldermen:</i> It is well-known that City Hall and the City Council is unlikely to establish a TIF or approve a TIF subsidy unless the Alderman supports the project. This gives the individual Alderman a significant role in both the <u>creation</u> and <u>implementation</u> processes. <i>City Council:</i> The City Council as a whole has not developed significant informal powers on the TIF issue. <i>Mayor:</i> In Chicago’s current political climate, the Mayor’s preference and priorities have a strong influence over the actions of City Council Members, appointed bodies like the CDC, private developers, and other governmental bodies. The <i>Planning Commissioner (Alicia Mazur Berg)</i> is the Mayor’s eyes and ears on TIF issues.

Other	Courts: Occasionally, courts will get involved when there is a public challenge to the municipality's adherence to the State law. Other Taxing Bodies (Schools, Parks, etc.): All affected taxing bodies in a TIF sit on a Joint Review Board which reviews each proposed TIF, though the JRB rarely acts to try to block a TIF. If the JRB recommends rejecting a TIF, the municipality has 30 days to work out its differences with the JRB and resubmit an amended plan. If the JRB still disapproves of the TIF, the municipality may still proceed, but it needs a 60 percent vote of the City Council in order to approve the TIF. The JRB does not have significant policy-making authority. Other taxing bodies can also lobby the municipality for access to TIF dollars in the form of capital improvements, much like a private developer. Developers/Businesses: Developers have no formal power under the TIF law.	Courts: The threat of a high-profile lawsuit may help keep municipalities in compliance with the TIF laws. Other Taxing Bodies: Some public officials may have an "inside track" in winning TIF-funded improvements (such as school repairs or park improvements), though that has not occurred much yet in Chicago. Developers/Businesses: Developers and businesses often can make powerful promises (jobs, economic development, etc.) to help gain support for TIF subsidies, as well as the ever-present promise of campaign contributions and other political support.



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What is the TIF Interested Parties Registry?

The Interested Parties Registry: Key Facts

- The registry was added to the State TIF reform law to provide a way for residents, businesses, and community groups to stay informed about happenings in their TIF.
- While being part of the registry can provide taxpayers with some early warning about activities in the TIF, there are still some loopholes that allow the City to inform the public about changes after they have already taken place.

What is the TIF Interested Parties Registry?

One of the most important elements of public participation in the TIF process is making sure that everyone who is affected by a TIF district knows about key developments. In the past, the City only sent notices of events such as public hearings or actions such as land acquisition to people who owned property within the boundaries of the TIF. That excluded renters, small business tenants who leased their space, community organizations, and people just outside the TIF boundaries who still wanted to keep up with what was taking place next door. To help fix this problem, the State TIF reform law signed by Governor Ryan in August 1999, municipalities such as Chicago are required to establish an “interested parties registry” for all individuals and organizations who wish to stay informed about their TIF. While it isn’t the only step needed to ensure full public participation in the TIF process, it is a step in the right direction.

What Will You Find Out Through the Interested Parties Registry?

The City’s regulations on the interested parties registry include two types of notices: those sent out **before** a TIF-related action has been approved by the City Council, and those **after** the change has already taken place.

There are two types of notices that can help communities proactively organize around TIF changes:

- When the preliminary TIF redevelopment plan and eligibility study have been completed. This notice must include the date and location for the official public hearing on the TIF.
- When the Housing Impact Study (required if the TIF will displace residents from 10 or more units, or if at least 75 residential units are included in the TIF) is complete. This notice must also include the date for the public meeting on the Housing Impact Study.

The other notices must be sent out within 10 days **after** the changes have been approved by the City Council:

- The TIF is expanded
- Land use in the TIF is significantly changes (for example, from residential to commercial)
- The life of the TIF is extended beyond the original 23-year period
- The number of low-income households that will be displaced by the TIF increases (if that increase is greater than 10)
- The total proposed budget of the TIF increases by more than 5 percent, or additional eligible cost categories are added to the project budget.

The regulations for the interested parties registry do not require the City to inform the public about redevelopment agreements (subsidies to specific private developers) that have been proposed unless they change the land use, require major changes to the overall project budget of the TIF, or result in the displacement of 10 or more occupied residential units.

How Can You Sign Up for the Interested Parties Registry?

The City has developed an official sign-up form for the registry. For individuals, it requires you to provide proof of residency (through a copy of your driver's license, utility bill, lease, etc.). For organizations, it requires a brief description of your organization's activities, or an organizational brochure or flyer. (The description could be as simple as a sentence like, "Our organization is interested in activities that will improve the conditions in our neighborhood.") If you are hesitant about providing the City with personal information about yourself, NCBG recommends that you sign up for the registry through a neighborhood organization you are involved with – your block club, church, school, community group, sports club – any local organization with which you are affiliated. This will allow you to be part of the registry without giving out your personal information.

A copy of the form is included on the next page. It is also available in the TIF section of the NCBG web site (<http://www.ncbg.org>) and on the City of Chicago Dept. of Planning and Development's web site, <http://www.cityofchicago.org/dpd/>.

(Page for TIF Interseted Parites Registration Form)



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How can zoning be used as a tool for community-based development?

TIFs and Zoning: Key Facts

- Zoning laws exist to manage how land is used for residential, commercial, and industrial purposes, as well as for open space.
- TIF plans include proposed land use maps that can affect the character of the development that takes place over the 23-year life of the TIF.
- Zoning laws can help preserve affordable housing, manage the density of a neighborhood, and protect or create open space.

Zoning — The Regulation of Land Use

In colonial America, few regulations existed on the use of land due to the seemingly endless amount of it. As the nation shifted from a rural to an urban society, public land regulation became important, especially to city governments trying to control industry, commerce, and housing within its boundaries. The first zoning ordinance was passed in New York City in 1916, and by the 1930s, most states had adopted zoning laws. Chicago adopted its first zoning ordinance in 1923. By the 1970s, concerns about the environment and historic preservation led to further regulation.

Zoning shapes the city. Through zoning, a city controls building size, population density, and the way land is used. Along with the city's power to budget, tax, and condemn property, it is a key tool for carrying out planning policy. Simply defined, zoning divides the land of the city up into special districts. Development within these districts is regulated by use, bulk, and parking regulations. Each zoning district regulates:

- Permitted uses;
- The size (bulk) of the building permitted in relation to the size of the lot;
- The required open space for residential uses on the lot, or the maximum amount of building coverage allowed on the lot;
- The number of dwelling units or zoning rooms permitted on the lot;
- The distance between the building and the street;
- The distance between the building and the lot line;
- The amount of parking required; and
- Other requirements applicable to specific residential, commercial or manufacturing activities.

Why is Zoning Important When We Are Talking About TIFs?

In almost every redevelopment plan for every TIF district that is created by the City, a proposed land use plan is created. This proposed land use plan is usually created from an inventory of existing land uses. Both of these maps are usually included in the TIF redevelopment plan. The existing land use map is also a fair representation of the current zoning for a particular geographic area. The proposed land use map illustrates any changes in zoning that are being considered in the TIF district. Proposed changes in land

use or zoning must be approved by the Plan Commission, the Zoning Department and the City Council. Land use maps and zoning are also important in TIF districts because they affect the value of property and the character of future development. *It is important to carefully review the proposed land use maps to see if any major changes in land use are being proposed and if so to evaluate the impact of those changes on your neighborhood.* Changing the zoning, or working to protect the existing zoning, can help achieve many of your local goals, such as preserving affordable housing, managing density of development, or protecting open space in your neighborhood.

What Do All the Zoning Symbols, Such as R2 or M3, mean?

Zoning symbols vary among communities. An R2 zone in one community is not necessarily the same as an R2 in another community. Frequently, communities use letters of the alphabet as code abbreviations to identify the use allowed in a physical geographic area, such as A for agricultural (or airport or apartments), R for residential, C for commercial, I or M (industrial or manufacturing) and P for park or parking lots. These symbols are usually followed by a number to specify the level of use; for example, the common generalizations are R1 for a single-family home, R2 for two-dwelling units, R3 for a apartment complexes, and so forth. Some communities may also designate another number to indicate certain square footage for that particular zone, as for example, R1-3 to signify a single-family dwelling with a lot size of less than 3 acres.

Is Zoning Permanent?

No. A zoning classification is not set in stone. Don't assume that because you are in a residential-use-only zone that the 10-acre vacant lot sitting across the street cannot be built up as a strip mall or something else incompatible with the surrounding neighborhood. Zoning laws can be, and have been, relaxed and exceptions made.

How Does Zoning Affect Me? What Is Its Impact?

The occasion will eventually arise – either for business or home – where you will have an opportunity to learn what you can and can't do with your land. To avoid getting into legal hot water, for example, if you are purchasing a 19th century mansion, with a large building in the back that you'd like to rent out or use as an office, you will want to find out if office use is compatible with the local zoning. You'll also want to know if there have been any improvements or additions made to the house after its original construction, and if so, whether they were approved. If there is no record of approval, you may want to think hard about the choice as the local authorities may ask you to tear it down or make some costly repairs.

How Do I Find Out What My Property Is Zoned?

By dropping in at City Hall in the Zoning Department, or at the public library and asking for a copy of your local ordinance. Zoning ordinances and zoning maps are public records. In some localities, if you have a legal description of the property (name, address, tax map, and parcel number), you can phone the appropriate zoning department or city hall or e-mail your request for information. Some communities have their zoning maps and their zoning ordinances on-line and in local libraries.

I Want to Change or Use My Land in a Way Not Allowed By the Local Zoning Ordinance. What Are My Options?

Zoning ordinances will tell you what you can do with your property. Should the planned improvement or change you have in mind be considered a violation of the ordinance, consider these options:

1. Modify your proposal to fit the zoning regulations of the land;
2. Look for other land subject to zoning laws that permit your proposed use;

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3. Request that your land be rezoned which allows your proposed use; or
4. Apply for a variance, conditional use, or nonconforming use permit.

Zoning Amendments

There are two types of zoning amendments: amendments to the zoning text and amendments to the zoning map. A change to the zoning text or map may be reasonable in a situation where the zoning regulations would result in an awkward site plan or prevent useful development of an area. In other cases, a change to the text or map may be necessary to preserve an area from unwarranted or destructive change.

Amendments are generally initiated by the Department of City Planning, although the City Council, or any taxpayer, or community organization may apply to the Chicago Plan Commission for a change to the text or maps.

Variances

Sometimes the peculiar shape or unusual topography of a parcel would cause unnecessary hardship were the owner required to comply with all the applicable regulations of the Zoning Ordinance. In such cases, the Board of Appeals may grant variances from the use and bulk provisions of the ordinance to the extent necessary to permit a reasonable use of that particular parcel.

A comparable legal requirement was enunciated in the historic case that established the constitutionality of zoning. In 1926, the United States Supreme Court, in *Village of Euclid v. Ambler*, validated the zoning ordinance of Euclid, Ohio, finding that it rested on a comprehensive plan for maintaining, protecting and upgrading the community. The court recognized that zoning is an appropriate extension of the community's authority to pass laws related to protecting the public health, safety, morals and general welfare.

The 1926 landmark decision provides a measure against which zoning regulations have been tested. The opinion also contains a far-seeing passage suggesting that zoning must evolve to meet the changing needs of changing times:

"Until recent years, urban life was comparatively simple; but with the great increase and concentration of population, problems have developed, and constantly are developing, which require, and will continue to require, additional restrictions in respect of the use and occupation of private lands in urban communities. Regulations, the wisdom, necessity and validity of which, as applied to existing conditions, are so apparent that they are now uniformly sustained, a century ago, or even half a century ago, probably would have been rejected as arbitrary and oppressive... [While] the meaning of constitutional guarantees never varies, the scope of their application must expand or contract to meet the new and different conditions which are constantly coming within the field of their operation."

Mayor Daley's Zoning Reform Commission

The zoning problems that the City faces are nothing new. In the midst of a building boom and growing economic climate, incompatible land uses can sometimes occur between adjacent or nearby properties. Residential areas have developed near industrial areas. Skyscrapers have been built next to mid-rise apartment buildings. New infill developments sometimes conflict with the quality and scale of our urban fabric. They can have an adverse effect on the density, character and quality of life for the people of a street, or a whole neighborhood. Much of this development is not in line with the zoning ordinance, which was created nearly half a century ago.

Mayor Daley is working to rewrite the Zoning Ordinance so that it is compatible with modern uses, and so it meets the unique needs and goals of our neighborhoods. An overhauled Zoning Ordinance will help preserve and strengthen the distinctive character of downtown and each of our neighborhoods." During

the summer of 2000 he organized a Zoning Reform Commission to rewrite the Chicago Zoning Ordinance of 1957 (see below for names of Commissioners). Community participation in the zoning revision came from rounds of public meetings in 2001 and 2002.

The commission asked community members for their concerns regarding Chicago's existing zoning ordinance and what changes would be appropriate to include as the zoning code is rewritten over the next several months. The meetings were held on the city's North, Northwest, West, Southwest, South, and Far South Sides, and also in the Loop. The meetings were generally well attended, providing helpful insight into the complexity of zoning issues in their communities.

In early summer, 2002, the Commission released a report with its recommendations and has scheduled another round of community meetings throughout the city to hear reaction. The Zoning Reform Commission's recommendations (available in full at www.cityofchicago.org/mayor/zoning) include the following.

Residential

- Replace bulk control formulas (FAR) with building height, setback and coverage limits
- Eliminate front yard interruption such as driveways, blank walls, patio pits while ensuring that residential buildings have consistent setbacks
- Remove regulation that encourages high-rise residential buildings in areas where mid-rise development would be more compatible.

Special Districts

- To protect neighborhood character while providing options, create new R 3½ zoning district to fill the gap between R3 and R4, thus encouraging new two-flats, townhouses and other housing options but not at the higher densities of current R4
- Create another new “bridge” district, R4½, to fill gap between R4 and R5 which will create more housing opportunities while protecting existing neighborhood character
- Consolidate high-rise residential districts (R6-R8) into one zoning classification with densities permitted under current R6.

Commercial

- To activate underutilized streets, create a new commercial district that allows mix of residential and retail uses – to activate underutilized streets
- Protect “pedestrian-oriented streets”
- Allow for 3 types of commercial areas:
 - Pedestrian oriented shopping streets
 - Transitional commercial streets – mix of pedestrian and auto-oriented
 - Auto-dominated commercial streets

Industrial Areas

- Reduce the number of non-manufacturing uses allowed in manufacturing districts
- Replace antiquated Industrial performance standards with landscaping, screening and setback standards
- Consolidate the number of existing manufacturing districts – from 15 to approximately 6

Affordable Housing

- Maintain current zoning ordinance features that encourage affordable housing
- Establish a more expedited zoning review process for affordable housing
- Create new zoning bonuses for affordable housing in specific areas of the city, such as downtown.
- Permit more residential construction in commercial areas.

User Friendliness

- Make zoning ordinance easier to understand; modernize terms, eliminating legalize; reduce number of zoning districts from 75 to no more than 40
- Make zoning ordinance text and map available on City website
- Create more predictable procedures by removing obstacles to developing and by limiting discretionary approvals

Note that the final point above, on limiting discretionary approvals, may have a bearing on the time-honored Chicago tradition of giving the local Alderman the final say on rezoning requests.

Members of the Mayor's Zoning Reform Commission

<i>Honorable William J.P. Banks -- Chairman</i> Alderman, 36 th Ward, City of Chicago	<i>David Mosen, Co-Chairman</i> President, Museum of Science and Industry Chairman, Chicago Landmarks Commission
<i>Alicia Mazur Berg</i> Commissioner, Department of Planning and Development	<i>Peter C.B. Bynoe</i> Chairman, Chicago Plan Commission
<i>James Capraro</i> Executive Director, Greater Southwest Development Corp	<i>Michael Fitzgerald</i> Business Manager, International Brotherhood of Electrical Workers Local 134
<i>Lori Healey</i> Principal, Perkins & Will	<i>Diane Legge Kemp</i> President, DLK Architecture, Inc.
<i>Lester McKeever</i> Managing Principal, Washington Pittman & McKeever	<i>Honorable Burton F. Natarus</i> Chairman, City Council Committee on Traffic Control Alderman, 42 nd Ward, City of Chicago
<i>David Perry</i> Professor and Director of the Great Cities Institute University of Illinois at Chicago	<i>John Rogers</i> President, Ariel Capital Management Inc. President and Chief Executive Officer, Chicagoland Chamber of Commerce
<i>Gerald Roper</i> President and CEO, Chicagoland Chamber of Commerce	<i>Christine Slattery</i> Director, Trust for Public Lands
<i>Honorable Bernard L. Stone</i> Chairman, City Council Committee on Buildings Vice-Mayor Alderman, 50 th Ward, City of Chicago	<i>Honorable Ray Suarez</i> Chairman, City Council Committee on Housing & Real Estate Alderman, 31 st Ward, City of Chicago
<i>Cherryl T. Thomas</i> Chairman, Railroad Retirement Board	<i>Executive Director: Edward J. Kus</i> City of Chicago



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What is the Community Development Commission?

The Community Development Commission: Key Facts

- The CDC is appointed by the Mayor to review TIF plans, redevelopment agreements, and the sale of City-owned land before they go to the City Council.
- The CDC meets on the second and sometimes also the fourth Tuesdays of the Month in the City Hall Chambers at 1 p.m.
- The commission rarely rejects TIF proposals, though it is possible to influence these plans at CDC public

The Community Development Commission (CDC) reviews the special planning districts — such as tax increment financing districts and redevelopment areas — proposed by the Dept. of Planning and Development (DPD). This 13-member volunteer panel is made up of citizens appointed by the Mayor, the Commissioner of DPD, and the Commissioner of the Dept. of Housing. CDC members also receive staff and administrative support from DPD employees. The City Council formed the CDC in 1991 to replace the functions of the Dept. of Urban Renewal and the Commercial District Development Commission (Chicago Municipal Code, Chapter 2-124).

What is the role of the CDC in the creation of a TIF district?

Whenever the City proposes the creation of a new TIF district, that proposal must go before the CDC for review and approval. The document that goes before the CDC is known as a “redevelopment plan,” and it sketches out a very general plan for the proposed TIF district. The CDC must hold a public hearing on all proposed TIFs, though they are not required to actively publicize the hearing beyond a short announcement in the legal notices section of a local newspaper. This public hearing is held during the day at City Hall, not out in the neighborhood affected by the proposal. Generally, the CDC votes on the proposed TIF immediately following the public hearing, without any discussion by other commission members or time to evaluate the public comment. The CDC is not required to respond, in writing or by any other means, to citizen comments or concerns. **The commission virtually never rejects a TIF proposal**, although in recent years CDC members have become somewhat tougher when it comes to asking questions of developers and CDC staff. After the CDC approves a TIF redevelopment plan, the proposal goes to the City Council for final approval.

The section of the City’s Municipal Code that establishes the CDC also sets up (but does not require) more far-reaching mechanisms for public review of TIF creation. The statute says, “The commission may establish and define the duties of neighborhood advisory councils to assist in any investigation, study, or survey . . . or to assist in the carrying out of a redevelopment plan.” While this provision is not used, it is still part of the law and may provide an opportunity for community members to have a more meaningful role in the TIF process (Municipal Code, section 2-124-040).

Does the CDC's role end when the TIF is created?

No. The CDC must review and approve each change to a TIF district. These include:

- ◆ Changes to the **boundaries** of the TIF district.
- ◆ Amendments to the **land acquisition map**. Redevelopment plans often include a map that lists properties that may be acquired during the 23-year life of the TIF. These properties may not be acquired right away, or may never be acquired by the City. But if the City is going to use its powers of eminent domain to purchase land and resell it to a developer, then it must first include it on the acquisition map. Property can be added to or removed from the map at any time.
- ◆ **Sale of City-owned property** within a TIF district. This also includes the re-sale of land acquired by the City under its land acquisition powers, and the transfer of land from one government body to another.

- ◆ Establishment of Redevelopment Agreements. A redevelopment agreement is a contract between the City and a private developer that is intended to help further the goals set forth in the redevelopment plan. Essentially, it spells out the terms and conditions of the City subsidy given out as part of a specific TIF deal. Each redevelopment agreement must go before the CDC for review prior to a vote by the City Council.

Each time a TIF is changed, the CDC must give the public the opportunity to comment before voting on the amendment.

Is the CDC's role limited to TIFs?

No. The CDC also reviews Redevelopment Areas and appointments to the Community Conservation Councils. Similar to areas designated as TIFs, Redevelopment Areas are intended to be established in areas that are either already blighted or in danger of becoming blighted. These special planning districts also have redevelopment plans that set forth a vision of coordinated spending, land use, and investment within the area. Redevelopment areas also are prime candidates for federal urban renewal money (known as Community Development Block Grant funds). The CDC must approve the creation of a Redevelopment Area.

How can I attend a CDC meeting?

The CDC usually meets either once or twice per month — usually the second and sometimes the fourth Tuesdays of each month at 1 p.m. — in the City Council Chambers on the second floor of City Hall (121 N. LaSalle Street). All CDC meetings are open to the public. If you wish to speak on a particular issue, be sure to sign in as soon as you arrive on the meeting and indicate which agenda item concerns you. You should also get on the CDC's mailing list so that you receive a copy of the tentative agenda for each upcoming CDC meeting. This will allow you to find out about issues that will affect your neighborhood before the CDC votes on them.

The staff member for the CDC at the Dept. of Planning is Jennifer Rampke at 312-744-6506.

Who Serves On the CDC?

Joe Williams, Chairman Target Group 330 S. Wells St., Suite 400, Chicago, IL 60606 312-873-0268; 312-873-0299 (fax)	Laura Hassan, Vice Chair Equity Office Properties 2458 N. Seminary Ave. Chicago, IL 60614 773-466-4076; 773-930-4436 (Fax)
Alphonse Guajardo, Secretary Guajardo & Associates 751 S. Clark St., Suite 300, Chicago, IL 60614 312-554-1800; 312-554-0764 (fax)	David Ariola Vice President, U.S. Equities Development, Inc. 20 N. Michigan Ave., Suite 400 60602 312-456-7000
Alicia Mazur Berg Commissioner, Dept. of Planning & Development City Hall, Room 1000, Chicago, IL 60602 312-744-9476	Rafael Hernandez Hispanic American Construction Industry Association 641 W. Lake St., Suite 300, Chicago, IL 60661 312-258-9621; 312-258-9628 (fax)
Anne Kostiner Anne Properties 1350 W. Madison St., Chicago, IL 60607 312-733-3931; 312-733-1206 (fax)	Mary Laraia GS Vice President, LaSalle Bank 135 S. LaSalle 312-904-6038
Rafael Leon Executive Dir., Chgo Metropolitan Housing Development Corp. 200 W. Adams, Chicago, IL 60606	Sonya Malunda University of Chicago 5801 S. Ellis, Room 605, Chicago, IL 60637 773-702-4568; 773-834-0379 (fax)
Jack Markowski Commissioner, Dept. of Housing 318 S. Michigan Ave., 7 th Floor, Chicago, IL 60603 312-747-1655; 312-747-1670 (fax)	Clyde Martin, Sr. 108 W. 83 rd St., Chicago, IL 60620 773-488-00678; 773-488-0679 (fax)
Jonathan Stein Inland Real Estate, Inc. 2901 Butterfield Rd., Oak Brook, IL, 60523 630-218-4949; 630-218-4917 (fax)	



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What is the Chicago Plan Commission?

The Chicago Plan Commission: Key Facts

- The Chicago Plan Commission meets on the second Monday of each month at City Hall to review certain TIF plans that require changes to land use.
- Members of the Plan Commission are appointed by the Mayor and serve on a volunteer basis.

The Chicago Plan Commission (CPC) is a body of community, business, and civic leaders who review development plans presented by the Dept. of Planning and Development that require changes to land use. The stated purpose of the commission is to establish and review an overall vision — or “plan” — for the long-term development of the City. In practice, the CPC reviews the design and appearance of individual projects to determine whether or not they are desirable.

For example, the CPC may review a proposal for building a shopping center on previously residential land to determine its effect on the surrounding neighborhood. After a presentation by Dept. of Planning and Development staff, CPC members may consider factors such as the impact on traffic, the quality of the proposed project’s architectural design, and whether the project is consistent with nearby land uses. However, the law does not spell out specific factors that the CPC must consider when reviewing individual proposals. The CPC rarely subjects projects to rigorous scrutiny, and like its companion commission — the Community Development Commission — it rarely rejects projects that have been proposed by DPD staff.

How can I attend a Plan Commission meeting?

All Chicago Plan Commission meetings are open to the public and include time for public comment. The CPC is required to meet at least once a month. The commission meets in the City Council chambers on the second floor of City Hall (121 N. LaSalle Street), generally on second Monday of the month at 1 p.m. These meetings are subject to change, so call the **Plan Commission staff, Loretta Walsh, at 312-744-4499** to confirm before heading down to City Hall. You should also get on the CPC’s mailing list so that you receive a copy of the tentative agenda for each upcoming Plan Commission meeting. This will allow you to find out about issues that will affect your neighborhood before the CPC votes on them.

Who Serves on the Plan Commission?

Officers

Peter C. B. Bynoe – Chairman
Partner, Piper Marbury Rudnick & Wolfe
230 N. LaSalle St., Suite 1800
Chicago, IL 60601

Linda Searl – Vice Chairman
Searl & Associates, Architects, PC
500 N. Dearborn St., 9th Floor
Chicago, IL 60610

312-368-4000; 312-236-7516 (fax)	312-251-9200; 312-251-9201 (fax)
Alicia Mazur Berg – Secretary Commissioner, Dept. of Planning and Development 121 N. LaSalle St., Room 1100 Chicago, IL 60602 312-744-4190; 312-744-2271 (fax)	

Ex Officio Members

Mayor Richard M. Daley 121 N. LaSalle St., Fifth Floor Chicago, IL 60602 312-744-3300	Ald. William J.P. Banks 36 th Ward 6839 W. Belmont Ave. Chicago, IL 60634 wbanks@cityofchicago.org 773-622-3232
Ald. Edward M. Burke 14 th Ward 650 W. 51st Street Chicago, IL 60632 eburke@cityofchicago.org ; 773-471-1414	Valerie B. Jarrett Chair, Chicago Transit Authority Merchandise Mart Plaza, P.O. Box 3555 Chicago, IL 60654 312-664-7200 x 3030
Miguel d’Escoto Commissioner, Chicago Dept. of Transportation 30 N. LaSalle Chicago, IL 60602 312-744-3600	George W. Migala
Ald. Burton R. Natarus 42 nd Ward 121 N. LaSalle St., Room 306 Chicago, IL 60602 bnatarus@cityofchicago.org ; 312-432-9500	Ald. Mary Ann Smith 5533 N. Broadway Ave. Chicago, IL 60640 msmith@cityofchicago.org ; 773-784-5277
Ald. Bernard L. Stone 6199 N.Lincoln Ave. Chicago, IL 60659 bstone@cityofchicago.org ; 773-764-5050	Ald. Ray Suarez 4502 W. Fullerton Ave. Chicago, IL 60639 rsuarez@cityofchicago.org ; 773-486-6488

Appointed Members

John H. Nelson Principal, Environ, Inc. 401 W. Superior St. Chicago, IL 60610 312-951-8863	Allison S. Davis Chief Executive Officer, AllChicago, LLC 54 W. Hubbard St. Chicago, IL 60610 312-755-9997
Leon D. Finney, Jr. Executive Director, The Woodlawn Organization 6040 S. Harper Ave. Chicago, IL 60637 773-288-5840	Doris B. Holleb Professorial Lecturer, University of Chicago 5801 S. Ellis Ave. Chicago, IL 60637 773-702-8302
Amrish K. Mahajan President, Mutual Bank of Illinois	Nancy A. Pacher President/Chief Operating Officer U.S. Equities 20 N. Michigan Ave., Suite 400 Chicago, IL 60602 312-456-7000; 312-456-0056(fax)



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What is the TIF Joint Review Board?

The Joint Review Board: Key Facts

- The JRB includes representatives of the other taxing bodies affected by the TIF, such as parks and schools.
- The JRB can recommend against a TIF, but it does not have the power to block a proposed TIF from moving forward.
- The JRB meets when a TIF is first established, and then later if major changes are made to the TIF plan or budget.

Who is on the Joint Review Board?

The Joint Review Board represents the taxing bodies that collect property taxes from homeowners and businesses within the City limits. That includes:

The City of Chicago Comptroller's Office	The Chicago Public Schools
The Chicago Park District	Cook County Dept. of Planning
The City Colleges of Chicago	The Chicago School Finance Authority
Forest Preserve District of Cook County	Metropolitan Water Reclamation District
South Cook County Mosquito Abatement District	A "public member" appointed by other members of the JRB (See "Who is the Public Member or Community Representative below.)

The State law gives these other taxing bodies the authority to review TIF proposals because they will forgo new tax revenues from the area inside the TIF for the 23-years that it is in place.

What are the Joint Review Board's Powers?

The Joint Review Board meets to review whether the area meets the eligibility criteria laid out in the TIF law and whether or not the redevelopment plan meets the goals laid out in the state TIF law. However, **the Joint Review Board does not have substantial powers to block or overturn a proposed TIF or substantial changes to an existing TIF.** The JRB can:

- 1) Vote to approve or disapprove the TIF proposal on the table.
- 2) If it votes to disapprove the TIF, it must provide the City with a written report detailing its reasons. The City then has 30 days to negotiate with the JRB, amend its plan and resubmit it to the board.
- 3) If the amended plan still is not approved by the JRB, then the City can still move forward with a vote at the City Council, but it must receive approval from 60 percent of voting members (rather than a simple majority) in order for the proposal to pass.

- 4) The City is not required to delay public hearings or votes on a TIF if the JRB fails to meet or file a report on a TIF proposal within the 30 days required by law.

When does the Joint Review Board Meet?

- When a TIF is being established or amended
- When the budget for a TIF is increased by more than 5 percent (adjusted for inflation)
- When a new category of eligible costs is added to the TIF budget

The state law also mandates one additional meeting per year between the City and the Joint Review Board members to brief them on the progress of the overall TIF program. This meeting, which was held on August 4, 2000, is supposed to review the Annual Reports which are submitted to the Illinois State Comptroller's office as mandated by the State TIF reform law.

Who is the Community Representative?

If a TIF district would result in the displacement of residents from 10 or more residential units or includes 75 or more inhabited residential units, then a representative of the community is required at the JRB. In addition, if a majority of residential units in the district are occupied by very low, low or moderate income households, the public member must be a member of a very low, low or moderate income household. If the above is not the case, then MarySue Barrett, President of the Metropolitan Council, is the Community Representative.

How can I Attend a JRB Meeting?

The JRB meetings are open to the public. They are generally held on the first Friday of each month at 10 am, although the schedule can vary. **To confirm meeting time and place, contact Joanne Worthy at the Department of Planning and Development, at 312-744-4389.**



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Where can I go for
more
information?

TIF Resources: Key Phone Numbers

Dept. of Planning and Development: 312-744-4190
Dept. of Housing: 311
Community Development Commission: 312-744-6506
Chicago Plan Commission: 312-744-4499
Joint Review Board: 312-744-4389
NCBG: 312-939-7198
City of Chicago Information Line: 311

City Agencies and Commissions

Dept. of Planning and Development <i>Commissioner: Alicia Mazur Berg</i> Deputy Commissioner, Development Division: Bob Kunze 121 N. LaSalle Street, Room 1000 Chicago, IL 60602 Phone: 312-744-4190/Fax: 312-744-2271 www.ci.chi.il.us/PlanAndDevelop/	Dept. of Housing <i>Commissioner: Jack Markowski</i> 318 S. Michigan Avenue Chicago, IL 60604 Phone: 312-747-9000/Fax: 312-747-9207 www.ci.chi.il.us/Housing/
Community Development Commission Dept. of Planning and Development <i>Contact: Jennifer Rempke</i> 312-744-6506	Chicago Plan Commission Dept. of Planning and Development <i>Contact: Loretta Walsh</i> 312-744-4499

Cook County Government

Cook County Assessor James M. Houlihan County Building 118 N. Clark Street, Room 314 Chicago, IL 60602 Phone: 312-603-5300 www.assessor.co.cook.il.us	Cook County Clerk David Orr Administration Building 69 W. Washington St., 5th Flr. Chicago, IL 60602 Phone: 312-603-5656 www.cookctyclerk.com
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Citywide Community Organizations

Neighborhood Capital Budget Group 407 S. Dearborn St., Suite 1360 Chicago, IL 60605 Phone: 312-939-7198/Fax: 312-939-7480 www.ncbg.org	
Statewide Housing Action Coalition 202 S. State St., #1414 Chicago, IL 60604 Phone: 312-939-6074/Fax: 312-939-6822 www.statewidehousing.org	Chicago Rehab Network 53 W. Jackson Blvd., Suite 742 Chicago, IL 60604 Phone: 312-663-3936 /Fax: 312-663-3562 www.uic.edu/~crn/

Your Alderman

NCBG has a list of phone numbers of Alderman at <http://www.ncbg.org/resources/citycouncil.html>, or you can call the City at 311 or check the City Council website: <http://www.ci.chi.il.us/CityCouncil/index.html>.

ALTERNATIVE TO TIFs

TIF Alternatives: An Overview
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Special Service Areas
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Chicago's Capital Improvement Program
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Capital Improvement Request Form
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Complete List of Chicago's TIF Districts
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What alternatives are there to TIFs?

Alternatives to TIFs: Key Facts

- Though the City says that TIF is the “only” economic development program available to it, the fact is there are many other specialized programs that might better suit local needs.
- While none of the programs listed below completely replace the need for TIFs in some areas, they may more effectively meet the needs of existing residents and businesses, or can be used in conjunction with

The City frequently calls TIFs the “only” economic development program left in its arsenal. While TIF certainly can be a powerful tool in certain circumstances, other tools still do exist and may be more effective in certain circumstances. While TIFs tend to favor large developers that wish to build on stretches of vacant land, the City’s other tools focus more on existing residents and businesses. There is a wider variety of programs on the table than the City is willing to admit, but there’s still a need to continue searching for effective programs that benefit our neighborhoods. None of these programs, by themselves, are a substitute for the TIF program, but they can serve as an alternative to the TIF program in certain instances or be used in conjunction with TIF as part of an integrated redevelopment strategy.

What follows is a list of City of Chicago and Cook County programs that are intended to help foster economic development, together with an explanation of what types of areas the funds are intended for, and who to contact for more information. Programs that have worked in the past that the City has suspended (such as the Strategic Neighborhood Action Program, and the Model Industrial Corridors Program) are also listed in the hope that the City will reactivate them. *Including a program on this list does not mean that NCBG necessarily endorses its use or has evaluated its effectiveness.* This list is meant to give taxpayers a starting point for evaluating the available options .

Special Planning Districts

Name	Description	Type of Area	Contact
Special Service Areas	Program that allows a group of taxpayers to agree to a small increase in their tax rate in exchange for control over the funds. Money can be used for joint marketing efforts, security, promotions, façade improvements, and small-scale capital improvements.	Commercial, Industrial	DPD Neighborhoods Division 312-744-0606
Redevelopment Areas	Similar to TIF, but without the tax-related provisions. The program gives the City increased land acquisition powers and makes areas eligible for some government loan and grant programs.	Residential, Commercial, Industrial	Neighborhoods Division 312-744-0606
Empowerment Zone	Federal program that provides incentives for businesses to expand within three designated “clusters.” Incentives include wage credits, tax deductions on property owned within the Zone, and tax exempt bond financing to help pay for expansion projects.	Residential, Commercial, Industrial	DPE Empowerment Zone Division 312-744-9623
Enterprise Zones	Areas designated by the City and certified by the State to receive tax incentives and other benefits, including sales tax exemptions, property tax reduction, financing assistance, real estate tax exemption, investment tax credit, state jobs creation tax credit, and utility tax exemption. There are currently six Enterprise Zones in Chicago.	Commercial, Industrial	DPD Finance Division 312-744-0914
Strategic	An integrated approach to targeting a wide variety of public resources at a	Commercial,	DPD

Name	Description	Type of Area	Contact
Neighborhood Action Program	specific geographic area that includes representatives of various City departments (DPD, Transportation, Buildings, Streets and Sanitation, Housing, Environment, and General Services) and other public agencies (schools, parks, etc.). Seven SNAP districts were established and met with success, but the program has since been abandoned.	Residential	Neighborhoods Division 312-744-0606
Model Industrial Corridors	Planning process designed to develop and implement strategic plans for 12 of the City's 22 recognized industrial corridors. Plans include details on needed infrastructure and marketing improvements to make the corridors more accessible, functional, safe, attractive, and competitive. Promised City funds to implement the plans have never materialized.	Industrial	DPD Neighborhoods Division 312-744-0606

Infrastructure Programs

Name	Description	Type of Area	Contact
Capital Improvement Program	The City's five-year plan for infrastructure improvements across all sectors, funded by a combination of local, State, and federal funds.	Residential, Commercial, Industrial	Office of Budget and Management 312-744-6670
Brownfields Cleanup	Environmental clean-up of abandoned industrial sites to make them viable candidates for redevelopment.	Industrial	DPD Neighborhoods Division 312-744-0606
Industrial Area Improvement Program	Upgrades to industrial and transportation infrastructure	Industrial	DPD Neighborhoods Division 312-744-0606
Business Infrastructure Improvement Program	Fast-track small-scale infrastructure improvements that benefit businesses (curb, gutter and street improvements; light pole, water/sewer or fire hydrant relocation; traffic signals; vaulted sidewalk repair or elimination; landscaping, etc.). Applicants share 50 percent of the cost	Commercial, Industrial	DPD Neighborhoods Division 312-744-0606
Street and Alley Vacation/Limited Local Access Program	Closes little-used streets and alleys in industrial areas and gives them over to use by companies for loading docks/traffic control, increased security, plant expansion, etc.	Industrial	DPD Business and Public Affairs Division 312-744-4190

Loans, Grants, and Financing Assistance

Name	Description	Type of Area	Contact
Industrial Revenue Bonds	Tax-exempt, reduced interest bonds issued by the City to manufacturers to finance new construction, renovation, and other purchases.	Industrial	DPD Finance Division 312-744-CITY
Façade Rebate Program	Rebates for improvements to the exterior of buildings in commercial and industrial areas, including lighting, signs, windows, doors, security, energy conservation, and truck docks. Industrial buildings can get a rebate of up to 30 percent of costs (up to \$10,000 per building). Commercial/retail buildings can get rebates up to 50 percent of costs (up to \$5,000).	Commercial, Industrial	DPD Landmarks Division 312-744-3200
New Homes for Chicago	Encourages developers to construct affordable homes by selling City-owned lots at reduced prices, giving construction subsidies, and waiving the cost of permits.	Residential	Dept. of Housing 311 housing@ci.chi.il.us
H.U.D. H.O.M.E. Program	Federal block grants for affordable housing development and rehabilitation.	Residential	Dept. of Housing 311 housing@ci.chi.il.us
CDBG Float Loans	Short-term loans for businesses that will create jobs in Chicago through expansion, renovation, or acquisition of fixed assets. Loans are provided for	Commercial, Industrial	DPD Finance Division 312-744-CITY

Name	Description	Type of Area	Contact
	two years at 40 percent of the prime interest rate.		
Bank Participation Loan Program	The City works with local banks to provide reduced-interest loans to commercial and industrial businesses seeking to expand, renovate, or purchase equipment.	Commercial, Industrial	DPD Finance Division 312-744-0914
Micro Loan Program	Low-interest loans up to \$20,000 to very small existing businesses to create jobs. Funds can be used for equipment, renovation, or working capital.	Commercial, Industrial	DPD Finance Division 312-744-0914
City Mortgage Program	City funds to help first-time homebuyers to purchase single family homes, two/four flats, or condominiums. Funds come from the sale of tax-exempt municipal bonds.	Residential	Dept. of Housing 311 housing@ci.chi.il.us
Chicago Low Income Housing Trust Fund	Grants to building owners to reduce rents for very-low income individuals and families	Residential	Dept. of Housing 311 housing@ci.chi.il.us

Tax Incentives

In general, tax incentives work by reducing the percentage at which a property is assessed. In other words, the property owner pays taxes on a smaller portion of the market value of the property, resulting in a lower overall tax bill. For example, say the market value of a commercial property is determined to be \$100,000. That property is then assessed at a rate of 38 percent (see below), meaning that the taxable value of the property is \$38,000. If the rate was reduced to 33 percent, for example, the taxable value would decline to \$33,000. **Note:** This is not the amount that the property owner pays in taxes. The assessed value of the property is multiplied by the *tax rate*, which in Chicago is about 8 to 10 percent, depending on the year.

(For more information, see the NCBG fact sheet, "How Does the Property Tax System Work in Cook County?", p. 13.

Current assessment rates for each major property classification are:

Class	Type of Property	Assessment Rate
1	Vacant	22%
2	Single Family Residential	16%
3	Multi-Family Residential	33%
4	Non-Profit	30%
5a	Commercial	38%
5b	Industrial	36%

The following chart lists current property tax incentives available in Cook County:

Name	Description	Type of Area	Contact
Class 6(b) Property Tax Incentive	Incentive for new or rehabilitated manufacturing. Reduces assessment rate from 36 percent to 16 percent for eight years, then gradually increases the rate to 36 percent (23 percent in Year 9 and 30 percent in Year 10).	Industrial	Cook County Assessor 312-443-7550 DPD Finance Division 312-744-0914
Class 7(a)/7(b) Property Tax Incentive	New or rehabilitated commercial property in blighted areas, intended for projects that would not go forward without the incentive. Reduces assessment rate to 16 percent for 8 years, then raises in to 23 percent in Year 9, 30 percent in Year 10, and the assessment thereafter.	Commercial	Cook County Assessor 312-443-7550 DPD Finance Division 312-744-0914
Class 8 Property Tax Incentive	New or rehabilitated commercial property in blighted areas, intended for projects that would not go forward without the incentive. Reduces assessment rate to 16 percent for 10 years, then raises it to 23 percent in Year 11, 30 percent in Year 12, then the full assessment rate thereafter.	Commercial, Industrial	Cook County Assessor 312-443-7550 DPD Finance Division 312-744-0914
Class 9 Property Tax	Residential development in areas where at least	Residential	Cook County Assessor

Name	Description	Type of Area	Contact
Incentive	51 percent of residents earn low to moderate incomes. At least half the units must have rent below 80 percent of HUD's fair market rent. Reduces assessment level to 16 percent for 10 years, and can be extended for two more 10-year periods.		312-443-7550 DPD Finance Division 312-744-0914
Landmark Program	Incentive for rehabilitation of commercial and industrial landmarks for cases where project would not proceed without the incentive. Assessment levels are same as for Class 7(a) and (b). Other tax benefits (income tax credits for commercial properties, assessment freeze for residential rehabilitation, technical assistance) may be available through the City.	Commercial, Industrial	DPD Landmarks Division 312-744-3200
Homebuyer Tax Savings Program	Allows first-time homebuyers purchasing homes in certain low- to moderate-income areas to take a federal income tax credit equal to 20 percent of their annual mortgage interest.	Residential	Dept. of Housing 311 housing@ci.chi.il.us

Marketing and Technical Assistance

Name	Description	Type of Area	Contact
Business Express	City hotline designed to direct businesses to City resources that can help them expand and improve their operations.	Commercial, Industrial	312-744-0046
Retail Chicago	Program aimed at improving how the City's retail areas are marketed to developers, coordinating the City role in development projects, and stabilizing existing commercial areas. Co-sponsored by the Local Initiatives Support Corporation (LISC) and the Chicago Association of Neighborhood Development Organizations (CANDO).	Commercial	DPD Business and Public Affairs Division 312-744-4190
International Business Services	Assistance for local companies to help them expand their export markets.	Industrial	DPD Commercial and Industrial Division 312-744-4190
Technical Assistance Support Groups	Capacity building for non-profit "umbrella organizations" interested in job creation and retention in low- to moderate-income areas.	Commercial, Industrial	DPD Neighborhoods Division 312-744-0606
Technical Assistance to Business Groups	Capacity building for neighborhood business and economic development organizations to assist in job creation and business expansion. Focus is on commercial development. Industrial assistance covered under the Local Investment Support Initiative (LIRI) program.	Commercial	DPD Neighborhoods Division 312-744-0606
Research & Information Services	Provides demographic and economic data about Chicago to businesses, public agencies, and community organizations.	Residential, Commercial, Industrial	DPD Strategic Planning Division, 312-744-9444
Casewatch	Monthly mailing list detailing data from DPD and the Dept. of Buildings updating the public on the status of vacant City-owned land and cases in housing court, compiled by ward and community area.	Residential, Commercial	DPD Strategic Planning Division, 312-744-9444



NEIGHBORHOOD CAPITAL BUDGET GROUP

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What is a Special Service Area?

Special Service Areas: Key Facts

- Special Service Areas work by getting a group of taxpayers (usually business owners) to agree to a small tax increase that goes into a fund for local improvements.
- Taxpayers generally have more local control over how SSA funds are used than they do with TIFs.
- SSAs can be used instead of, or in conjunction with, TIFs depending on local circumstances.

What is a Special Service Area?

Special Service Areas (SSAs) are an economic development tool that allow a group of businesses to pay slightly more in property taxes in exchange for local control over how that tax revenue is spent. SSA funds can be used for a wide range of projects geared specifically toward existing businesses, such as joint advertising campaigns, extra street sweeping and security, landscaping, façade improvements, and small infrastructure improvements.

Unlike tax increment financing (TIF) districts, SSAs allow community members to exert direct control over locally generated revenues. SSAs may fund local planning and development initiatives, and may even recommend that the City finance bonds to be repaid with SSA revenues. SSAs can be very effective tools for continued economic growth in areas that have already attained enough stability that property owners can afford a modest additional tax burden.

How does a Special Service Area work?

Typically, SSAs are only used in small commercial or industrial areas, though there are examples of residential developments that have formed SSAs for the purpose of hiring security guards. SSAs are basically a special tax that the community decides how to spend. TIF districts raise money by increasing the *value of the property* which is taxed. All new tax revenue above the “base” level is then redirected back into the TIF district. Special Service Areas raise revenues by increasing the *tax rate* on property owners, usually by about 1 or 2 percent. SSAs may also issue bonds which would be repaid with the revenues raised from the tax levy.

Non-profit development corporations, chambers of commerce, and business/industrial groups that operate within clearly defined areas are eligible to submit SSA applications. SSAs were initially authorized by an Illinois State statute (ILCS 200/27-5), though individual SSAs are established by the Chicago City Council. The City Council Finance Committee is required to hold a public hearing on any SSA proposal. **If, within 60 days of the public hearing, 51 percent of property owners within the proposed SSA sign a petition opposing creation of the district, then the City Council must reject the proposal.**

Once an SSA is approved by the City Council, the Mayor appoints a Special Service Area Commission to oversee the SSA funds — usually from a list of candidates supplied by the local property owners. In the case of the Greektown/Halsted Street SSA, for example, the Mayor appointed the SSA Commission from a list supplied by the Greektown Chamber of Commerce. Once the commission is in place, it works to develop programs, set policies, oversee operations, and monitor the use of SSA funds within the district. This local board can function with as few as three directors. Some SSAs are open-ended, meaning they stay in place until the City Council passes an ordinance to terminate them. Others operate for a fixed length of time, after which they must be renewed.

The projects that may be funded with SSA revenues include — but are not limited to — sidewalk and street maintenance and improvements, landscaping, parking, security, advertising, parking garages, graffiti removal, street fairs, shuttle busses, façade improvements, business recruitment, and loan packaging. The Lakeview East Chamber of Commerce provides one concrete example of how SSA funds may be used. The Chamber reimburses local business owners for 50 percent of the costs of improving the appearance of their storefront — up to \$5,000 — from SSA funds. The Lakeview East Chamber of Commerce reports that 25 stores have participated in the program, totaling over \$100,000 of façade improvements.

Why would anyone agree to a tax increase?

Special Service Areas can reliably raise revenues that actually *add value* to the businesses or residential areas within this special taxing district. Ultimately, the services provided by the SSA — such as joint campaigns to market an industrial park, or street cleaning and landscaping initiatives to make a neighborhood business district more attractive to customers — benefit everyone in the area. What makes SSAs such a potentially valuable tool is that without this program, it may be very time-consuming and expensive for existing community institutions to collect the money necessary to provide the services. SSAs provide a convenient way to use the tax code to raise and budget money for community priorities.

In some cases, SSAs could be used *instead of* TIF districts, particularly in densely developed areas with many smaller businesses that are just in need of a “facelift.” TIFs tend to work best where there is a lot of vacant land that will produce “instant increment.” The fastest way for a TIF to create new tax revenue is to build on property that is not currently paying any taxes at all. But how do you help neighborhoods with existing homes and businesses? So far, the existing TIF tools have been more successful at bringing in new development — particularly larger projects such as shopping malls and residential subdivisions — than at helping out those who already have roots in the community.

By contrast, SSAs are specifically geared to funding programs that help existing store owners and residents. Together with some routine capital investment by the City, an SSA could form the core of a community economic development strategy. And most importantly, SSAs give community stakeholders immediate and direct local control over the use of the taxes that they raise.

Can SSAs be used alongside TIF districts?

Yes. One of the problems with TIFs is that neighborhoods have to wait until they start to produce new tax revenue — the “increment” — before any redevelopment can be funded. Without some sort of up-front funding, the potential beneficiaries of a TIF may have to wait a long time to see any activity. ***SSAs may be able to provide some of this seed money to “jump start” a TIF, particularly in neighborhood commercial TIFs.*** For example, SSA money could be used to complete some basic streetscaping improvements, or to launch a joint business marketing campaign to lure development to the area. The SSA-funded campaign could even be used to market the existence of the TIF to developers, thereby helping to ensure that the TIF is successful. While it is possible to create an SSA with no expiration date, it is also possible to set one up for only a few years so that property owners don’t have to commit to a decade-long tax increase.

In some cases, it might make sense to maintain an SSA alongside an existing TIF even after the TIF has started to generate revenues. State law limits the types of activities that may be funded with TIF revenues. Services such as street cleaning, security, or business marketing campaigns are prohibited. SSAs could be used to fund these sorts of activities that support and enhance the TIF. In some cases — such as the Greektown SSA — the SSA money is used to pay for the upkeep of public improvements built with TIF money, other City funds, or even SSA-generated revenue.

How Are SSAs Held Accountable?

The Dept. of Planning and Development assigns staff to monitor all SSA operations. Ultimately, all tax proceeds collected by the City are recorded in the City of Chicago Comptroller’s office. Community development groups and citizens can see how much money is left in an SSA account at the end of the year by consulting the “Special Revenue Funds” section of the City of Chicago’s *Comprehensive Annual Financial Report* (CAFR). To get a copy of the most recent CAFR, call 312-744-0606.

Where are the Special Service Areas in Chicago?

SSA Name ⁷	Status	Program Activities	Comm. Members	Ward	1997 Budget	1998 Budget	Established	Expires	Comments
State Street (#1)	Active	Supervision of State St.	5	42	\$1,975,750	\$1,050,000	July 1977	November 2016	Overall maintenance and management of State Street.
Belmont Central (#2)	Active	Maintain parking facilities	9	30 36 38	\$206,736	\$195,245	June 1982	Open	Maintenance of parking garage.
SW Business Area Commission (#3)	Active	Recruit new businesses, loan packaging, promotion.	6	13 14 15	\$394,939	\$394,939	October 1983	Open	Business retention, salaries of Greater Southwest Dev. Corp. who work on senior housing and commercial development around 63 rd Street.
95 th Street/ Beverly Hills (#4)	Active	Recruit new businesses, rehabs, promotion	9	19 21	\$56,000	\$50,000	October 1983	Open	Business retention and commercial development in Beverly
Commercial Avenue Commission (#5)	Active	Vaulted sidewalk repair, snow removal, promotion, business recruiting, loan packaging, rehabs.	5	10	\$268,682	\$316,050	October 1983	November 2003	Financed capital improvement projects including vaulted sidewalk repair and façade improvements in Southeast Chicago.
Lawrence Avenue Commission (#6)	Inactive	Loan packaging, business recruiting, rehabs, advertising	15	39	N/A	N/A	December 1984	December 1987	SSA has expired.
Kedzie Industrial Tract (#7)	Active	Maintenance, security	6	14	\$24,000	\$27,000	June 1985	2005	Weekend security and light maintenance in industrial park at 49 th and Kedzie
Lakeview East (#8)	Active	Recruit new business, rehabs, promotion, technical assistance for commercial and economic development	13	43 44	\$325,132	\$341,739	September 1988	November 2003	Business recruitment and retention programs, including a directory of all commercial properties in district. Storefront façade rebate program begun in 1997.
Edgewater Development Corp. (#9)	Inactive	Business recruiting, loan packaging, rehabs, promoting economic development	13	40,48 ,49,5 0	N/A	N/A	September 1988	January 1999	1993 budget was never approved. SSA is no longer active.
Back of the Yards (#10)	Active	Business recruiting, promotion, rehabs, technical assistance for economic development	10	11 12 16	\$403,692	\$397,959	September 1989	Open	Security within 47 th Street commercial district. Senior citizen shuttle to 47 th Street merchants. Promotions such as sidewalk and street fairs during summer.
Greater Englewood (#11)	Active	Recruit new business, promotions, rehabs, technical assistance	10	16 17 20	\$277,000	\$272,365	September 1988	Open	Provides security to Englewood Mall at 63 rd and Halsted
Circulator (#12)	Inactive	Public transit	8	42	N/A	N/A	February 1991	2026	Associated with failed downtown public transit project.

⁷ Data for columns 1-10 comes from the Dept. of Planning and Development, *Special Service Area Status Summary*, January 14, 1998. Information for SSAs 18-20 comes directly from the City ordinances as found in the *Journal of the Proceedings of the City Council of Chicago*. Some data is not available for these SSAs.

SSA Name ⁷	Status	Program Activities	Comm. Members	Ward	1997 Budget	1998 Budget	Established	Expires	Comments
Stockyards (#13)	Active	Business recruiting, rehabs, loans, promotions, security	7	11	\$605,430	\$585,980	July 1991	2011	Full time security, including cameras and gates, at Stockyards Industrial Park.
Marquette Park (#14)	Active	Residential security	9	15	\$252,732	\$302,020	October 1993	October 1997	Manages security program in residential area between 67 th Street and 74 th Street.
Hyde Park (#15)	Inactive	Maintenance and marketing	11	4 5	N/A	N/A	November 1994	2001	SSA program never actually initiated.
Greektown (#16)	Active	Maintenance of ornamental structures, business retention and promotion	16	27	\$120,000	\$119,120	July 1996	2016	Promotes business and restaurants along Halsted Street west of downtown. Maintains streetscaping improvements constructed by City in 1996.
Lakeview (#17)	Active	Security, maintenance and beautification, promotions, technical assistance.	N/A	44	N/A	N/A	July 1997	2003	Tax levy is 0.25 percent of property value. Approximate boundaries are Addison, Clark, Racine, and Diversey.
Lakeview (#18)	Active	Maintenance and beautification, storefront façade improvements, sidewalk repair and improvement, promotions, advertising.	N/A	44	N/A	N/A	July 1997	2003	Tax levy is 0.4 percent of property value. Approximate boundaries are Halsted from Belmont to Grace, and Broadway to Sheridan Rd.
Rogers Park/ Howard Street (#19)	Active	Maintenance and beautification, graffiti removal, snow removal, promotions & advertising, and technical assistance.	N/A	49	N/A	N/A	July 1997	2006	Tax levy is 1 percent of property value. Approximate boundaries are along Howard St. from Greenvew to Ridge Avenues, including properties on Paulina, Ashland, and Clark.
Beverly/South Western Avenue (#20)	Active	Maintenance and beautification, security, marketing, promotions, technical assistance.	N/A	19	N/A	N/A	July 1997	2003	Tax levy is 0.27 percent of property value. Approximate boundaries are along South Western Ave. from 99 th St. to 119 th St.
Lincoln Square (#21)	Active	Business promotion, recruitment, and joint marketing; beautification, streetscaping and parking; security; façade rebate.	9	47	N/A.	\$78,734 (2001)	November 2000	2009	Tax levy is 0.25 percent of property value. Approximate boundaries are Lincoln, Sunnyside to Winnemac; Western, Ainslie to Leland; Lawrence, Rockwell to Leavitt.



NEIGHBORHOOD CAPITAL BUDGET GROUP

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What is Chicago's Capital Improvement Program?

The Capital Improvement Program: Key Facts

- The CIP is the City of Chicago's five-year "wish list" for where it plans to spend public works dollars on projects such as street repairs, water and sewer improvements, and municipal facilities.
- The CIP is a plan – not an official budget – and therefore can change at the whim of the Mayor or his staff.
- The CIP tends to stress development in the "Central City" over basic neighborhood infrastructure and economic development projects.

The Capital Improvement Program (CIP) is the official statement of the City of Chicago's public works plan for a given five-year period (such as 2001-2005). It is a "wish list" of where the City would like to spend its capital improvement dollars over the coming five years. The CIP also discloses which funding sources the City plans to use to pay for the public improvements, as well as forecasts of construction start and completion dates. **The CIP is only a guide — the City may choose to drop a project or delay it significantly without giving any warning.**

But what is a "capital improvement"? Capital improvements refer to major investments in infrastructure such as roads, sewers, police stations, and water mains — major expenditures expected to last many years rather than the day-to-day expenses of City government such as trash pickup or street cleaning. The CIP includes projects in seven categories:

- **Economic Development:** This category includes industrial street and viaduct projects, as well as "streetscaping" projects in neighborhood commercial areas.
- **Municipal Facilities:** Libraries, health clinics, senior centers, human services centers, fire and police stations, city-owned office buildings, and municipal operating facilities (including city-owned office buildings and Streets and Sanitation facilities).
- **Neighborhood Infrastructure:** Alley construction, lighting, new street construction, residential street resurfacing, sidewalk construction, and "other neighborhood improvements" (mainly cul-de-sacs, speed bumps, and other "traffic calming" measures).
- **Sewers:** Sewer construction and rehabilitation.
- **Transportation:** Bridges, intersection safety improvements, major streets, traffic signals, and public transit.
- **Water:** Water mains, pumping stations, the Jardine Water Purification Plant, and the South Water Filtration Plant.

Who decides which projects make it into the CIP?

The CIP process begins with a draft document produced by the Office of Budget and Management that reflect the initial recommendations of City departments such as the Dept. of Transportation or the Dept. of Sewers. The City holds public hearings in the Fall, then OBM releases a final CIP. It is not a legally binding document, and individual items never need to be approved by anyone other than the Mayor's own staff. Consequently, projects are free to appear and disappear at the whim of City Hall staff.

What Role Does the Alderman Play in the Capital Planning Process?

Since 1994, each Alderman has been given a sum of General Obligation Bond funds to spend on various infrastructure projects in his or her ward, including residential street and alley resurfacing, sidewalks, street and alley lighting, alley speed bumps, curbs and gutters, and street light pole painting. Originally, each Alderman received \$1 million to distribute at his or her discretion – hopefully, based on public input – among the eligible project types. That amount has increased to \$1.2 million per ward per year.

The Aldermanic Menu program has the potential to be an effective way of delivering public works dollars to the most pressing local infrastructure needs. If individual City Council members make full and fair use of the program, the Menu program can locate important decision making powers at the neighborhood level. Unfortunately, some Aldermen do not make full use of the dollars allocated to them, and still more distribute the Menu monies without any sort of open public participation in selecting projects and prioritizing needs.

In the bigger picture, the Aldermanic Menu represents a fairly small share of the overall public works plan. The \$513 million allocated through the Aldermanic Menu program accounts for only a little more than 8 percent of the \$6 billion in ward-by-ward CIP allocations from 1994 to present.

Since 1994, Aldermanic menu program money has been allocated to the following areas, according to the CIP:

Project Type	Allocation (1994-2005)
Residential Street Resurfacing	\$237,908,699
Sidewalk Construction	\$188,715,818
Alley Construction	\$77,876,052
Lighting	\$8,995,353
Total	\$513,495,922

Does the CIP list the projects that are scheduled for my ward?

No. The CIP includes addresses for most projects, but it does not include information about the ward. It is extremely time consuming to figure out which projects are slated for your ward. Community organizations and individuals who join NCBG can get a ward project list as a benefit of SNCBG membership. To join NCBG call 312-939-7198. The CIP does list capital projects by regions of the City, known as Neighborhood Planning Districts. You can find these geographic listings in the appendices toward the end of the CIP document.

What opportunities exist for public participation in the CIP?

While there is a great need to improve the public's voice in planning and implementing public works projects in Chicago, there are several steps in place that give citizens some input into the process:

Annual CIP Hearings

Each fall, the City holds a series of public hearings to take input on the draft CIP and give the public a chance to testify about specific projects that are in need of urgent attention. There are generally seven hearings – one in each planning region (North, Northwest, West, Southwest, South, Far South, and Central). While the Mayor generally does not attend the CIP hearings, there are representatives from various City departments (including the Office of Budget and Management, the Dept. of Transportation, the Dept. of Water, the Dept. of Sewers, etc.) and other local governmental bodies not included in the CIP (such as the Chicago Public Schools and the Chicago Park District). For the 2000 hearings, the number of people who came to testify doubled over the previous year.

Capital Improvement Request Forms

In addition to testifying at the CIP hearings, the public can submit a Capital Improvement Request Form to the City at any time throughout the year to draw attention to a capital need in your neighborhood. Even if you come to testify at a CIP hearing, it is a good idea to also submit a capital request form to document your community's needs in writing. A printed version of the capital request form is at the end of this fact sheet, or you can fill one out on-line at:

<http://www.cityofchicago.org/Budget/budget/projectrequest.html>

The Capital Improvement Advisory Committee (CIAC)

The CIAC was originally established in 1990 by an executive order from Mayor Richard M. Daley (#90-2), but the committee was dormant from September 1998 until August 2000. Now, it has been reconstituted with a new group of people and is working to improve public participation in the CIP planning process. Among the CIAC's duties are sponsoring and publicizing the public hearings, holding regular meetings with staff from the

Office of Budget and Management to monitor public works allocations, developing policy recommendations for improving the capital planning process, and providing a conduit to direct taxpayer concerns to the attention of the Mayor and his advisors. CIAC meetings are open to the public. To find out when the next meeting is, call NCBG at 312-939-7198. A list of CIAC members is attached to this fact sheet.

Have the CIP dollars been distributed equitably across Chicago?

There's no doubt that since Mayor Daley took office, he has become much more willing to invest in neighborhood infrastructure projects. Overall, NCBG has found that since 1990, the City has allocated approximately \$11.7 billion to public works improvements in the City (not including the improvements to Midway and O'Hare airports, which are also included in the CIP but funded mainly through fees paid by the airlines). About \$9.4 billion of those funds have been allocated to ward-specific projects, while the rest have gone toward citywide projects such as the water purification and pumping plants, Lake Shore Drive and the Chicago Skyway, and similar investments.

Unfortunately, despite relatively high levels of capital investment, NCBG has consistently found that a disproportionate share of these dollars go to projects downtown. In fact, the 42nd Ward (which contains the Loop and portions of the Near South, Near West, and Near North Sides) by itself accounts for 26 percent of all ward-specific capital allocations since 1990. If you include the other two "Central City" wards – the 2nd and 27th – that percentage climbs to 36 percent. If you include "mega-projects" such as Millennium Park and the Museum Campus, the City's allocations to the Central City reach nearly \$2.5 billion.

There are other sorts of inequities as well. For example, the Mayor has allocated \$192.7 million to median planter boxes since 1990 – significantly more than the \$121.6 million total for viaduct improvements over that same period. The median planters have been widely criticized as a merely cosmetic project that often clogs traffic and creates safety hazards. Indeed, one business organization near downtown lobbied successfully to have their median planters redesigned because of the pedestrian and traffic safety issues they were presenting. On the other hand, increasing the clearance beneath old viaducts so trucks can pass beneath is considered a key priority for retaining job-producing manufacturing businesses in Chicago.

The questionable priorities extend to municipal facilities, as well. Since 1990, the City has allocated \$410 million for police stations, but \$379 million for neighborhood libraries (a proportion that has risen considerably in the libraries' favor over the past two years). City-owned office buildings have received \$404.7 million in capital allocations since 1990, but health, senior, and human service centers have been slated for just \$47.6 million in improvements. *(For more information, see the NCBG report, "Back to Basics: Fairness and Accountability for Our Neighborhood Public Works," and the NCBG fact sheet, "TIFs and Infrastructure," p. 68)*

What system should the City use instead of the CIP to plan its public works spending?

Most major cities — including New York, Los Angeles, and Philadelphia — enact an annual capital improvement budget. In fact, an NCBG survey found that 19 of the 22 major cities we examined rely on an annual capital budget that holds the city accountable for how it spends its public works dollars.

How does an annual capital improvement budget work? Such a budget appropriates available (and anticipated) dollars to specific public works projects. The budget shows where the money comes from, where it is to go, and when it will be spent. The budget is debated and approved by the City Council. Once adopted, the budget directs City departments to implement the approved projects for the coming year. With the exception of emergency repairs, City Hall cannot remove a planned project on its own, and it cannot slip in new projects without subjecting them to a process of public scrutiny. At the end of the year, citizens can look back and compare what the City promised to get done in the budget with what it actually accomplished. This process would provide for a clear yardstick by which Chicagoans can judge the performance of their elected officials.

How would an annual capital budget benefit Chicago?

An annual capital improvement budget will strengthen our City and help our neighborhoods because:

- Community residents and businesses alike would know how much and what kinds of public improvements the City will make each year — and therefore have a greater incentive to stay and invest in Chicago themselves.
- Citizens will be able to evaluate whether the City is spending enough public dollars each year to keep their neighborhoods healthy.
- More elected officials will have a stronger voice in the setting of capital improvement priorities, and citizens can hold their elected representatives accountable for those choices.

Members of the CIAC

Alice Segal -- Chairman The Anixter Center 6610 N. Clark St. Chicago, IL 60626 773-973-7900	Ken Dunkin Director, Robert Taylor Boys and Girls Club 5120 S. Federal St. Chicago, IL 60609
Eileen Durkin Director, Howard Brown Health Center 4025 N. Sheridan Rd. Chicago, IL 60613 773-388-1600	Beth Dybala Industrial Representative LEED Council, Inc. 1909 N. Clifton Chicago, IL 60614 773-868-3493
Michael W. Gonzalez Director of Business Development Primera Engineers, Ltd. 25 E. Washington, Suite 510 Chicago, IL 60602 312-606-0910	JoAnne S. Gray Principal Burnham/Anthony Inclusive Academy 1903 E. 96 th St. Chicago, IL 60617 773-535-6530
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Ron Roenigk Publisher, Inside Publications 4710 N. Lincoln Ave. Chicago, IL 60625 773-878-7333	Mark E. Roschen Executive Director, Back of the Yards Neighborhood Council 1751 W. 47 th St., 2 nd Floor Chicago, IL 60609 773-523-4416
Susanne Schnell The Civic Committee of the Commercial Club 21 S. Clark St., Suite 3120 Chicago, IL 60603 312-853-1200	Jacqueline Thibodeaux V.I.S.I.O.N.S. 6939 S. Oglesby Chicago, IL
Daniel Williams Chief Financial Officer Holy Cross Hospital 2701 W. 68 th St. Chicago, IL 60629 773-471-5508	Frank J. Williams Owner, F.J. Williams Realty 7855 S. Western Ave. Chicago, IL 60620 773-737-5600

(Capital Project Request goes here)



Complete List of Chicago's TIF Districts

The following table lists the “vital statistics” for the 121 TIF districts in place at this writing. To read this table:

- **“Eligible Land Uses”** = The types of development that would be permitted in the TIF district.
- **“Date Approved”** = The date the TIF was approved by the Chicago City Council
- **“Acres”** = The land area of the TIF
- **“Initial EAV”** = The property value (“Equalized Assessed Value”) of the TIF at the time it was approved. Taxes on any property value above this base amount will go into the TIF fund.
- **“1999 EAV”** = The property value in tax year 1999, the most recent year available.
- **“Increment Since 1990”** = The new tax revenues that have gone into the TIF fund since 1990, the first year for which NCBG has detailed data.
- **“TIF Subsidies to Developers”** = The TIF dollars that have been promised to private developers in the district. This includes both money that has already been paid out and future subsidies that have been promised as part of a redevelopment agreement approved by the City Council.
- **“TIF Funded Public Works Projects”** = TIF dollars used to pay for infrastructure improvements in the TIF. The dollar value shown here represents just the TIF dollars for the project, not the total cost of the project, which may include other State, Local, or Federal funds.
- **“Private Investment”** = The value of the investment made by private developers as a result of the TIF subsidy.

TIF District	Eligible Land Uses			Date Authorized by City Council	Acres	Initial EAV	2000 EAV	Increment Since 1990	TIF Subsidies to Developers	TIF-Funded Public Works	Private Investment
	Industrial	Commercial	Residential								
105 th /Vincennes	NO	YES	YES	10/3/01	58	\$1,279,573		\$0	\$0		\$0
111 th /Kedzie	NO	YES	YES	9/29/99	86	\$14,456,141	\$14,068,660	\$68,454	\$0		\$0
119 th /Halsted		YES	YES	2/6/02	183	\$17,878,188	\$0	\$0	\$0		\$0
126 th /Torrence	YES	NO	NO	12/21/94	302	\$3,424,375	\$1,585,282	\$0	\$16,100,000		\$0
24 th /Michigan	YES	YES	YES	7/21/99	119	\$15,874,286	\$18,695,966	\$334,966	\$47,000,000		\$0
26 th /Kostner	NO	YES	YES	4/29/98	48	\$2,834,583	\$3,078,020	\$18,959	\$0		\$0
35 th /Halsted	YES	NO	YES	1/14/97	518	\$80,938,228	\$81,879,766	\$1,084,649	\$3,250,000		\$24,440,000
35 th /Wallace	YES	YES	YES	12/15/99	114	\$9,047,402	\$9,420,268	\$103,552	\$0		\$0
41 st /King Drive	NO	NO	YES	7/13/94	7	\$114,305	\$1,680,288	\$466,138	\$1,750,000		\$7,554,961
43 rd /Cottage Grove	NO	YES	YES	7/8/98	200	\$7,038,638	\$11,038,930	\$560,413	\$11,727,430		\$32,172,568
43 rd /Damen	YES	NO	NO	8/3/94	36	\$5,395,485	\$6,776,744	\$733,274	\$3,000,000		\$8,000,000
45 th /Western	YES	NO	NO	3/27/02	42	\$1,984,411		\$0	\$1,800,000		\$21,200,000
47 th /Ashland	NO	NO	YES	3/27/02	325	\$52,953,404		\$0	\$0		\$0
47 th /Halsted	YES	YES	YES	5/29/02	954	\$42,900,000		\$0	\$0		\$0
47 th /King Drive	NO	YES	YES	3/27/02	322	\$58,646,118		\$0	\$0		\$0

49th/St. Lawrence Ave.	NO	NO	YES	1/10/96	17	\$683,377	\$2,572,555	\$448,575	\$1,034,800		\$9,618,041
51st/Archer	YES	YES	NO	5/17/00	273	\$31,300,000	\$2,602	\$28,859,678	\$0		\$0
53rd Street	NO	YES	NO	1/10/01	84	\$23,190,777		\$0	\$0		\$0
	Eligible Land Uses										
TIF District	Industrial	Commercial	Residential	Date Authorized by City Council	Acres	Initial EAV	2000 EAV	Increment Since 1990	TIF Subsidies to Developers	TIF-Funded Public Works	Private Investment
60th/Western	YES	YES	NO	5/9/96	146	\$2,464,026	\$6,008,000	\$982,960	\$6,352,290		\$9,268,871
63rd/Pulaski	NO	YES	NO	5/17/00	216	\$56,171,856	\$56,786,993	\$48,005	\$0		\$0
71st/Stony Island	NO	YES	YES	10/7/98	226	\$53,506,725	\$57,477,551	\$309,248	\$350,000		\$0
72nd/Cicero	YES	NO	NO	11/17/93	73	\$6,499,683	\$8,691,090	\$1,060,205	\$6,368,943		\$174,000,000
73rd/Kedzie	YES	NO	NO	11/17/93	105	\$14,587,780	\$14,889,888	\$341,039	\$60,000,000		\$318,900,000
79th Street Corridor	NO	YES	YES	7/8/98	226	\$21,576,305	\$25,540,196	\$1,143,386	\$385,000		\$0
79th Street/Southwest Highway	NO	YES	YES	10/3/01	307	\$36,740,059		\$0	\$0		\$0
89th/State	NO	NO	YES	4/1/98	38	\$3,827,328	\$6,949,275	\$243,574	\$3,600,000		\$30,037,500
95th/Stony Island	NO	YES	NO	5/16/90	76	\$2,622,436	\$12,660,241	\$2,302,997	\$5,125,000		\$21,938,203
95th/Western	NO	YES	YES	7/13/95	33	\$16,035,773	\$19,460,459	\$1,535,408	\$1,600,000		\$4,322,000
Addison Corridor North	YES	NO	NO	6/4/97	79	\$14,400,224	\$16,601,989	\$393,404	\$2,287,150		\$2,064,058
Addison/Archer Courts	NO	YES	YES	5/12/99	8	\$85,326	\$90,632	\$757	\$2,500,000		\$8,540,129
Addison/Kimball	YES	NO	NO	1/12/00	14	\$883,731	\$1,013,111	\$10,076	\$0		\$0
Archer/Central	NO	NO	YES	5/17/00	193	\$37,124,389	\$36,285,818	\$0	\$0		\$0
Belmont/Central	NO	YES	YES	1/12/00	190	\$81,400,000	\$0	\$0	\$0		\$0
Belmont/Cicero	NO	YES	NO	1/12/00	99	\$33,307,364	\$35,260,609	\$152,119	\$0		\$0
Bloomington/Laramie	YES	NO	NO	9/15/93	10	\$1,206,101	\$702,930	\$1,411	\$0		\$0
Bronzeville	NO	YES	YES	11/4/98	491	\$51,399,438	\$60,883,860	\$981,491	\$3,800,000		\$0
Bryn Mawr/Broadway	NO	YES	YES	12/11/96	30	\$17,682,409	\$21,301,727	\$1,001,125	\$4,877,000		\$12,300,000
Calumet/Cermak	NO	YES	NO	7/29/98	11	\$3,219,685	\$8,875,551	\$632,482	\$0		\$0
Canal/Congress	NO	YES	YES	11/12/98	41	\$31,461,307	\$44,828,937	\$3,329,182	\$11,950,000		\$79,416,231
Central Loop	NO	YES	YES	6/20/84	171	\$985,292,154	\$1,639,029,596	\$359,832,331	\$181,605,794	\$560,045,983	\$1,507,121,980
Central West	NO	YES	YES	2/16/00	463	\$62,132,982	\$73,170,555	\$859,606	\$0		\$0
Chatham Ridge	NO	YES	NO	12/18/86	90	\$1,369,425	\$21,613,200	\$10,296,842	\$10,178,400	\$250,000	\$43,492,975
Chicago/Central Park	NO	YES	YES	2/27/02	678	\$94,400,000		\$0	\$0		\$0

Chicago/Kingsbury	NO	YES	YES	4/12/00	49	\$38,520,712	\$49,771,426	\$175,285	\$32,000,000		\$0
Chinatown Basin	NO	NO	YES	12/18/86	30	\$131,567	\$19,243,111	\$9,016,263	\$6,251,661	\$7,511,608	\$23,372,821
Cicero/Archer	NO	YES	YES	5/17/00	94	\$19,629,324	\$20,356,908	\$56,907	\$0		\$0
Clark/Montrose	NO	YES	YES	7/7/99	51	\$23,433,096	\$25,027,817	\$269,783	\$0		\$0
Clark/Ridge	NO	YES	YES	9/29/99	138	\$39,163,821	\$40,398,679	\$256,682	\$0		\$0
Devon/Western	NO	YES	YES	11/3/99	52	\$71,430,503	\$75,564,025	\$325,642	\$500,000		\$3,542,850
Division/Homan	YES	YES	YES	6/27/01	358	\$26,162,032		\$0	\$0		\$0
Division/Hooker	YES	NO	NO	7/10/96	6	\$380,624	\$3,335,250	\$1,442,271	\$2,200,000		\$10,764,215
Division/North Branch	YES	NO	NO	3/15/91	5	\$482,150	\$3,301,891	\$1,998,038	\$2,615,000		\$7,900,000
	Eligible Land Uses										
TIF District	Industrial	Commercial	Residential	Date Authorized by City Council	Acres	Initial EAV	2000 EAV	Increment Since 1990	TIF Subsidies to Developers	TIF-Funded Public Works	Private Investment
Eastman/North Branch	YES	NO	NO	10/7/93	11	\$2,222,210	\$4,062,975	\$627,863	\$1,001,532		\$6,762,000
Edgewater	NO	YES	NO	12/18/86	4	\$479,172	\$3,313,404	\$2,273,891	\$1,100,000		\$4,800,000
Englewood	NO	YES	YES	6/27/01	1200	\$68,700,000		\$0	\$5,400,000		\$9,100,000
Englewood Mall	NO	YES	NO	11/29/89		\$3,868,736	\$8,060,424	\$2,699,678	\$0		\$0
Fullerton/Milwaukee	NO	YES	YES	2/16/00	226	\$69,002,056	\$78,241,852	\$719,609	\$0		\$0
Fullerton/Normandy	NO	YES	NO	10/7/93	17	\$2,031,931	\$9,057,258	\$2,983,107	\$3,100,000	\$1,100,000	\$14,400,000
Galewood/Armitage Industrial	YES	NO	NO	7/7/99	465	\$48,056,697	\$52,667,591	\$566,329	\$0		\$0
Goose Island	YES	NO	YES	7/10/96	94	\$13,676,187	\$34,798,874	\$3,962,833	\$15,982,694	\$5,100,000	\$84,732,865
Homan/Arthington	NO	YES	YES	2/5/98	84	\$2,658,362	\$9,640,720	\$935,649	\$0		\$0
Homan/Grand Trunk	YES	NO	NO	12/15/93	16	\$35,753	\$2,694,973	\$1,103,248	\$518,836		\$2,706,100
Howard/Paulina	NO	YES	YES	10/14/88	32	\$10,081,104	\$16,997,375	\$2,793,618	\$8,878,200		\$48,311,800
Humboldt Park Commercial	NO	YES	NO	6/27/01	138	\$32,269,485	\$0		\$0		\$0
Irving/Cicero	NO	YES	NO	6/10/96	24	\$8,150,631	\$14,416,969	\$1,307,880	\$3,700,000		\$15,574,000
Jefferson Park	NO	YES	YES	9/9/98	81	\$23,970,085	\$25,038,709	\$231,477	\$750,000		\$0
Jefferson/Roosevelt	YES	YES	NO	8/30/00	147	\$52,292,656	\$59,002,075	\$522,530	\$0		\$0
Kinzie Industrial	YES	NO	NO	6/10/98	1111	\$142,386,487	\$212,810,804	\$12,353,450	\$24,500,000		\$116,126,447
Lake Calumet Industrial	YES	NO	NO	12/13/00	11945	\$197,417,189		\$0	\$2,000,000		\$16,300,000
Lakefront	NO	NO	YES	3/27/02	31	\$0	\$0	\$0	\$0		\$0
Lawrence/Broadway	NO	YES	YES	6/27/01	74	\$39,448,972			\$7,000,000		\$29,800,000
Lawrence/Kedzie	NO	YES	YES	2/16/00	407	\$110,395,843	\$126,352,746	\$1,242,724	\$1,000,000		\$0

Lawrence/Pulaski	NO	YES	YES	2/27/02	106	\$44,061,761		\$0	\$0		\$0
Lincoln Avenue Corridor	NO	YES	YES	11/3/99	181	\$63,741,191	\$77,528,067	\$1,374,873	\$4,950,000		\$23,756,404
Lincoln/Belmont/Ashland	NO	YES	YES	11/2/94	9	\$2,457,347	\$13,937,881	\$4,277,161	\$7,500,000		\$29,539,763
Madison/Austin	NO	YES	YES	9/29/99	397	\$48,748,259	\$49,345,593	\$288,055	\$0		\$0
Michigan/Cermak	NO	YES	NO	9/13/89		\$5,858,634	\$8,834,929	\$1,470,920	\$0		\$0
Midway Industrial	YES	YES	NO	2/16/00	384	\$48,652,950	\$49,803,145	\$89,717	\$0		\$0
Midwest	NO	YES	YES	5/17/00	1996	\$98,087,099	\$132,467,109	\$2,677,515	\$4,900,000		\$0
Montclare	NO	NO	YES	8/30/00	11	\$792,770	\$859,094	\$5,165	\$0		\$20,937,147
Near North	NO	YES	YES	7/30/97	340	\$41,675,853	\$93,440,956	\$8,558,530	\$30,650,000	\$31,250,000	\$46,400,000
Near South	YES	YES	YES	11/28/90	323	\$128,567,117	\$278,955,288	\$40,812,940	\$74,299,000	\$124,864,770	\$141,827,988
Near West	NO	YES	NO	3/23/89	102	\$36,805,570	\$88,584,730	\$17,780,258	\$7,414,115	\$4,239,600	\$16,264,003
North Branch North	YES	NO	NO	7/2/97	160	\$29,627,071	\$47,757,693	\$3,427,329	\$0		\$0
	Eligible Land Uses										
TIF District	Industrial	Commercial	Residential	Date Authorized by City Council	Acres	Initial EAV	2000 EAV	Increment Since 1990	TIF Subsidies to Developers	TIF-Funded Public Works	Private Investment
North Branch South	YES	NO	NO	2/5/98	287	\$43,644,440	\$65,454,247	\$3,076,772	\$0		\$0
North/Cicero	NO	YES	NO	7/30/97	47	\$1,021,457	\$1,657,038	\$142,030	\$6,290,000		\$17,478,550
Northwest Industrial	YES	NO	NO	12/2/98	1200	\$146,115,991	\$161,417,679	\$1,441,340	\$4,300,000		\$0
Ohio/Wabash	NO	YES	YES	6/7/00	4	\$1,278,143		\$0	\$0		\$0
Peterson/Cicero	NO	YES	YES	2/16/00	5	\$1,116,653	\$812,733	\$0	\$0		\$0
Peterson/Pulaski	NO	YES	NO	2/16/00	139	\$40,112,395	\$43,106,644	\$233,192	\$0		\$0
Pilsen Industrial	YES	YES	NO	6/10/98	907	\$111,203,219	\$144,061,192	\$4,295,682	\$12,560,000		\$49,440,129
Portage Park	YES	YES	YES	9/9/98	190	\$65,084,552	\$69,491,467	\$600,856	\$0		\$0
Pulaski Corridor	YES	YES	NO	6/9/99	383	\$82,778,075	\$89,811,483	\$706,082	\$0		\$0
Read-Dunning	NO	NO	YES	1/11/91	235	\$6,382,072	\$31,582,790	\$9,753,794	\$8,056,352		\$12,168,633
River South	YES	YES	YES	7/30/97	286	\$65,852,957	\$108,186,814	\$6,146,867	\$9,816,793	\$77,500,000	\$0
River West	YES	YES	YES	1/10/01	48	\$50,458,368		\$0	\$0	\$1,600,000	\$0
Roosevelt/Canal	NO	YES	NO	3/19/97	42	\$12,769,699	\$13,570,738	\$2,973,597	\$4,500,000		\$15,849,361
Roosevelt/Cicero	YES	NO	NO	2/5/98	531	\$45,179,428	\$49,602,572	\$852,701	\$21,000,000		\$150,931,985
Roosevelt/Homan	NO	YES	YES	12/5/90	54	\$3,539,018	\$10,050,252	\$2,269,134	\$3,335,000		\$7,018,000
Roosevelt/Racine	NO	YES	YES	11/4/98	212	\$6,992,428	\$6,900,587	\$45,877	\$0		\$0
Roosevelt/Union	NO	YES	YES	5/12/99	58	\$4,369,258	\$4,748,696	\$29,551	\$75,000,000		\$467,300,000
Roseland/Michigan	NO	YES	YES	1/16/02	176	\$28,521,041		\$0	\$0		\$0
Ryan Garfield	NO	YES	NO	12/18/86	10	\$166,083	\$3,971,046	\$3,553,048	\$2,315,000		\$6,140,000

Sanitary Drainage & Ship Canal	YES	YES	NO	7/24/91	250	\$10,722,329	\$18,706,507	\$5,127,630	\$5,660,000		\$9,700,000
South Chicago	NO	YES	YES	4/12/00	330	\$14,811,091	\$19,107,008	\$339,834	\$1,200,000		\$0
South Works Industrial	YES	NO	NO	11/3/99	240	\$3,823,633	\$3,886,674	\$6,362	\$21,000,000		\$71,500,000
Southwest Industrial Corridor East	YES	NO	NO	3/20/99	320	\$17,662,923	\$17,131,071	\$436,730	\$14,000,000		\$30,159,127
Southwest Industrial Corridor West	YES	YES	NO	4/12/00	688	\$115,603,413	\$119,702,886	\$319,267	\$24,000,000		\$0
Stockyards Annex	YES	NO	YES	12/11/96	295	\$38,650,631	\$48,255,845	\$3,028,114	\$800,000		\$0
Stockyards Industrial-Commercial	YES	YES	NO	3/9/89	263	\$11,178,459	\$34,561,300	\$18,979,213	\$7,915,000	\$4,700,000	\$33,994,033
Stockyards Southeast Quadrant	YES	YES	NO	2/26/92	70	\$21,527,824	\$38,168,639	\$13,008,558	\$8,281,342		\$27,640,938
Stony Island Commercial/Burnside Industrial	YES	YES	NO	6/10/98	611	\$46,058,038	\$54,892,730	\$1,656,599	\$2,600,000		\$12,881,599
West Grand	NO	YES	NO	6/10/96	3	\$465,129	\$1,609,150	\$240,901	\$800,000		\$3,559,000

Eligible Land Uses

TIF District	Industrial	Commercial	Residential	Date Authorized by City Council	Acres	Initial EAV	2000 EAV	Increment Since 1990	TIF Subsidies to Developers	TIF-Funded Public Works	Private Investment
West Irving Park	NO	YES	YES	1/12/00	140	\$36,100,000		\$0	\$0		\$0
West Pullman Industrial	YES	NO	NO	3/11/98	210	\$7,050,845	\$5,723,510	\$65,562	\$0		\$0
West Ridge/Peterson	NO	YES	NO	10/27/86	6	\$1,617,926	\$3,993,458	\$2,685,112	\$3,000,000		\$9,000,000
Western Avenue North	YES	YES	NO	1/12/00	227	\$71,205,617	\$74,316,639	\$243,195	\$0		\$0
Western Avenue South	YES	YES	YES	1/12/00	254	\$67,500,000		\$0	\$0		\$0
Western/Ogden	YES	NO	NO	2/5/98	754	\$33,184,486	\$41,866,568	\$1,861,501	\$4,525,000		\$11,000,000
Wilson Yard	NO	YES	YES	6/27/01	144	\$57,800,000		\$0	\$0		\$0
Woodlawn	NO	YES	YES	1/20/99	330	\$28,865,833	\$33,389,009	\$523,253	\$3,413,855		\$8,556,221
TOTALS					38,492	\$4,894,022,685	\$5,374,328,602	\$631,405,880	\$879,221,187	\$818,161,961	\$3,931,623,496

Note: The Near North TIF District includes \$11.25 million in TIF funds for the new Jenner elementary school and the Walter Payton High School. Likewise, the Near South TIF includes \$52 million for renovations of Jones Academic High School, and the River South TIF district includes \$47 million for the new National Teachers Academy.

NCBG's Chicago TIF District Fact Sheets and Maps

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