



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

Executive Order No. 2013-3

WHEREAS, To date, the City of Chicago has designated 175 Tax Increment Financing (TIF) Areas. The City's currently active TIF Areas generate significant revenue each year; and

WHEREAS, This revenue is utilized for crucial economic development and public infrastructure-related expenses within TIF Area boundaries; and

WHEREAS, TIF funds are generally designated for (i) existing projects and financing as well as contemplated or identified projects and financing, and (ii) anticipated future use; and

WHEREAS, On an annual basis, any revenue in a TIF Area that is not being used or designated in this manner is to be returned to Cook County as "surplus" for disbursement to the local taxing bodies, including the Chicago Public Schools, the City, Cook County and certain of our sister agencies; and

WHEREAS, As explained in the 2011 report prepared by the City's TIF Task Force, "because active districts have a variety of potential projects in various stages of the proposal and approval process, as well as a number of public infrastructure improvements needed to attract private investment, in practice most funds are encumbered, and declaring and distributing a surplus is a relatively uncommon event;" and

WHEREAS, Breaking with the former trend of rarely declaring TIF surpluses, this administration has made a practice of doing so on a regular basis; and

WHEREAS, It makes economic sense, and is sound public policy, to both formalize and expand this practice by annually identifying a portion of TIF funds designated for anticipated future use, removing that portion from that designation, then declaring that portion to be surplus; and

WHEREAS, Declaring TIF surplus in this manner will increase the property tax revenue available to fund non-TIF-related City needs, as well as our schools, parks, and other public institutions; now, therefore,

I, RAHM EMANUEL, Mayor of the City of Chicago, do hereby order as follows:

1. Declaration of TIF Surplus

The City shall annually declare a TIF Surplus in each Eligible TIF Area.

2. Definitions

For purposes of this Order, the following definitions apply:

“Declare a TIF Surplus” shall mean annually identifying, across all Eligible TIF Areas, no less than twenty-five percent of the cash balance of TIF funds anticipated for future use, after taking into account all amounts the City deems necessary to address current and future project commitments, project contingencies, revenue volatilities, tax collection losses, and current and future tax liabilities, and declaring that percentage to be surplus.

“Eligible TIF Areas” shall mean those that meet all of the following conditions: (a) are older than three years; (b) were not created for single redevelopment projects; (c) have not transferred and are not scheduled to transfer funds to other contiguous TIF Areas to pay debt service on the City’s Modern Schools Across Chicago bonds; and (d) have a balance of at least one million dollars.

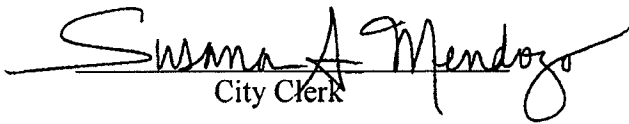
3. Effective Date

This Order shall take effect upon its execution and filing with the City Clerk.



Mayor

Received and filed November 8, 2013


City Clerk

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