



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Details (With Text)

File #: O2015-5328
Type: Ordinance
File created: 7/29/2015
Status: Failed to Pass
In control: City Council
Final action:
Title: Amendment of Municipal Code Section 2-32-130 regarding identification and declaration of Tax Increment Financing (TIF) surpluses annually
Sponsors: Emanuel, Rahm
Indexes: Ch. 32 Dept. of Finance
Attachments: 1. O2015-5328.pdf

Date	Ver.	Action By	Action	Result
5/29/2019	1	City Council	Failed to Pass	
9/21/2015	1	Committee on Finance	Held in Committee	Pass
7/29/2015	1	City Council	Referred	

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

July 29, 2015

TO THE HONORABLE, THE CITY COUNCIL OF THE
CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Budget Director, I transmit herewith an ordinance amending Chapter 2-32 of the Municipal Code regarding TIF surpluses.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

ORDINANCE

WHEREAS, The City's 147 currently active TIF Areas support crucial economic development and public infrastructure projects within TIF Area boundaries; and

WHEREAS, As a general matter, the City allocates TIF funds to existing projects, contemplated projects, and anticipated future use; and

WHEREAS, Any revenue in a TIF Area not allocated in this manner is to be returned to Cook County as a "surplus" for disbursal to the local taxing bodies, including the Chicago Public Schools, the City, Cook County, and certain of the City's sister agencies; and

WHEREAS, As the City's TIF Task Force recommended in its 2011 report that the City develop performance metrics around the management of TIFs including declaration of surplus; and

WHEREAS, Following the recommendation of the TIF Task Force, the current administration has reviewed TIF performance thresholds and has declared TIF surpluses on a regular basis; and

WHEREAS, In 2013, the administration issued an executive order formalizing the practice of identifying, on an annual basis, a portion of TIF funds designated for anticipated future use, removing that portion from that designation, and declaring that portion a surplus; and

WHEREAS, Because declaring a TIF surplus increases property tax revenue available to fund non-TIF-related City needs, as well as our schools, parks, and other public institutions, the administration has now determined that the public interest is best served by enshrining as law the requirements of the TIF surplus executive order; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-32-130 of the Municipal Code of Chicago is hereby amended by deleting the language stricken and inserting the language underscored, as follows:

2-32-130 Reserved Declaration of TIF Surplus.

a) For purposes of this section, "eligible TIF area" shall mean a TIF area that meets the following conditions: (1) it is more than three years old; (2) it has a balance of at least one million dollars; (3) it was not created for a single redevelopment project; (4) the equalized assessed value of the property in the TIF area is greater than the equalized assessed value of the property in the TIF area when such TIF was designated and (5) it has not transferred and is not scheduled to transfer funds to one or more contiguous TIF areas for the purpose of paving debt service on the City's Modern Schools Across Chicago bonds.

b) On an annual basis, the budget director shall identify, across all eligible TIF areas, no less than twenty-five percent of the cash balance of TIF funds anticipated for future use, and declare that percentage a surplus. The identification of the percentage shall take 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.

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SECTION 2. This ordinance shall take effect upon passage and approval.

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