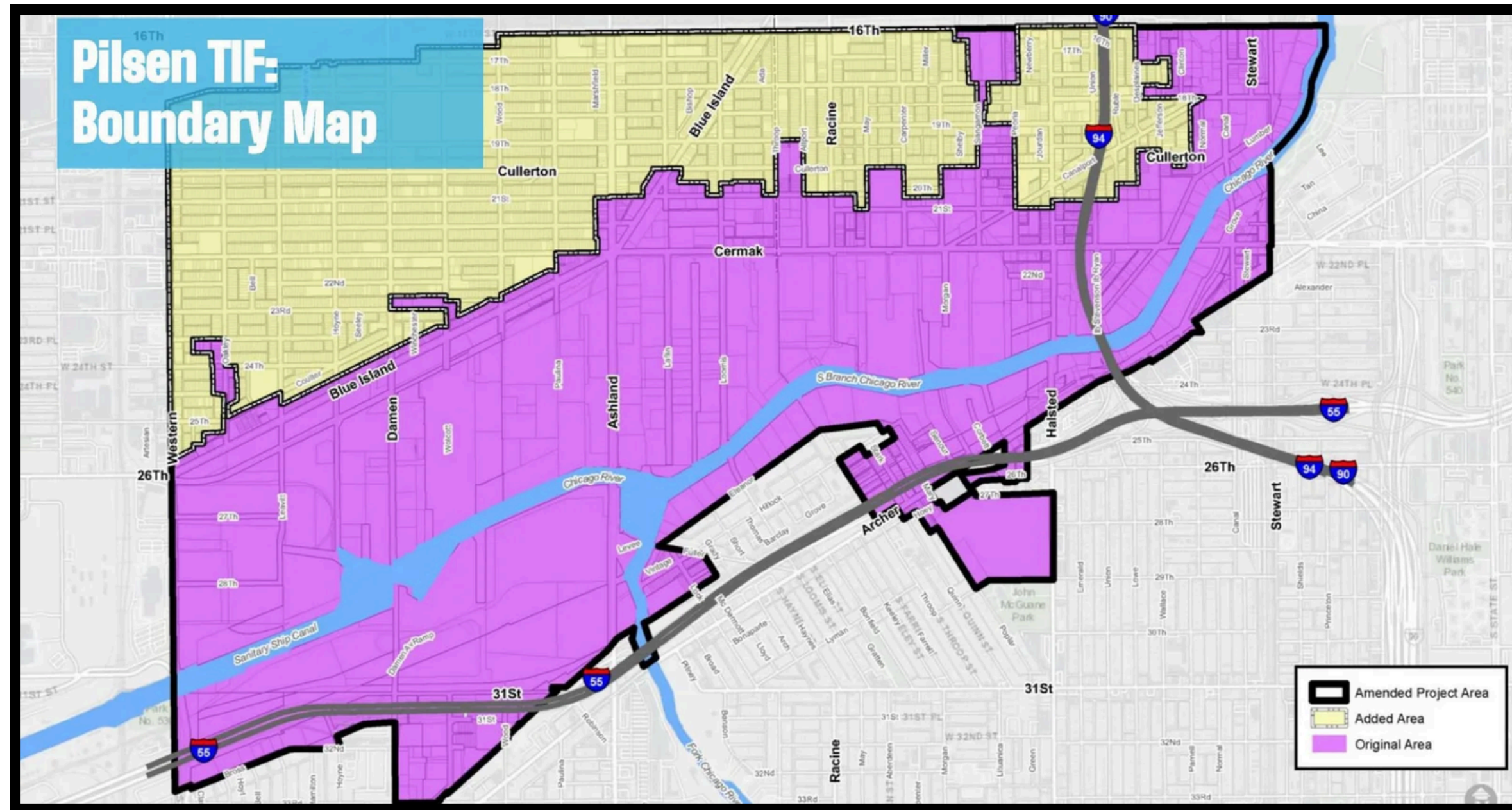


PILSEN T.I.F. Review Committee (TRC)



AGENDA

Thursday, May 29th 2025

- I. What is a TIF District?
- II. Historical Timeline
- III. Pilsen Industrial TIF
- IV. Develop Community Driven Review Process



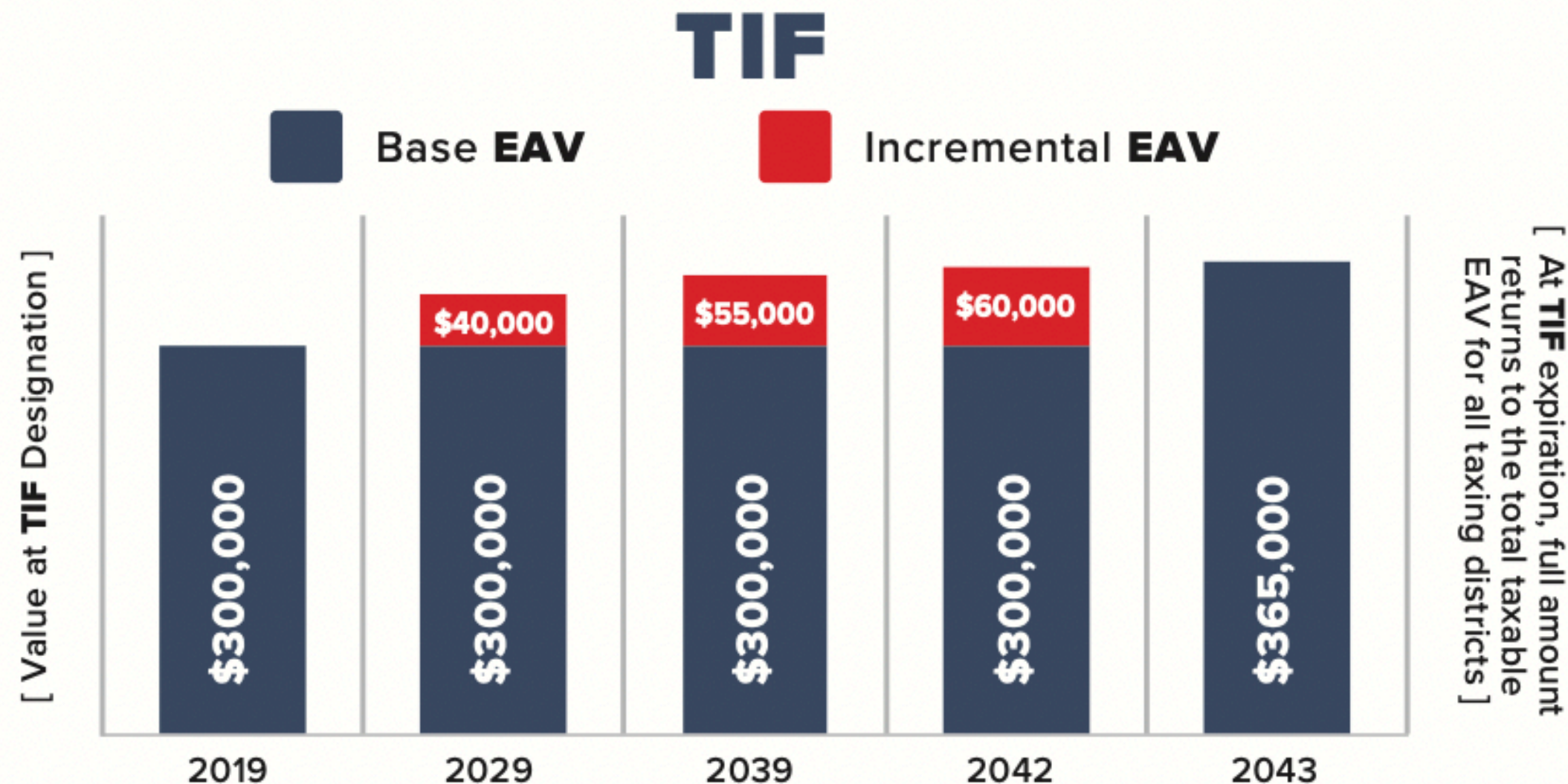
Byron Concejal Del Distrito 25
Sigcho-Lopez
25th Ward Alderperson ★ ★ ★ ★

WHAT IS A TIF DISTRICT?

- Financial tool that aims to generate resources for economic and community development improvements in “blighted” communities.
- Program is administered by the Department of Planning and Development (DPD), but the regulatory framework is established by the state.
- Areas required to demonstrate specific blighting factor in order to be designated a TIF district **
- Approved districts capture rising property taxes over 23 years.

Source: Department of Planning and Development. City of Chicago: Tax Increment Financing Program Guide, 2020.
https://www.chicago.gov/content/dam/city/depts/dcd/general/2020_tif_program_guide.pdf

HOW DOES TIF WORK?



LIFE OF A TIF: 23 YEARS

Equalized Assessed Value (EAV):
Taxable value of all property in the taxing district.

Incremental EAV: The EAV above the base that is captured by the TIF for a period of 23 years.

- According to DPD: “It is important to note that the inclusion of a property within a TIF does not increase its taxes. Since TIF districts do not directly change either the value of a property or the tax rate, any given property would have the same tax bill whether it was within a TIF or not.”
- Once districts expire, their accumulated revenue is released back to the city’s general fund and other taxing bodies, and new tax dollars are set back on course to those local governments.



HISTORICAL CONTEXT

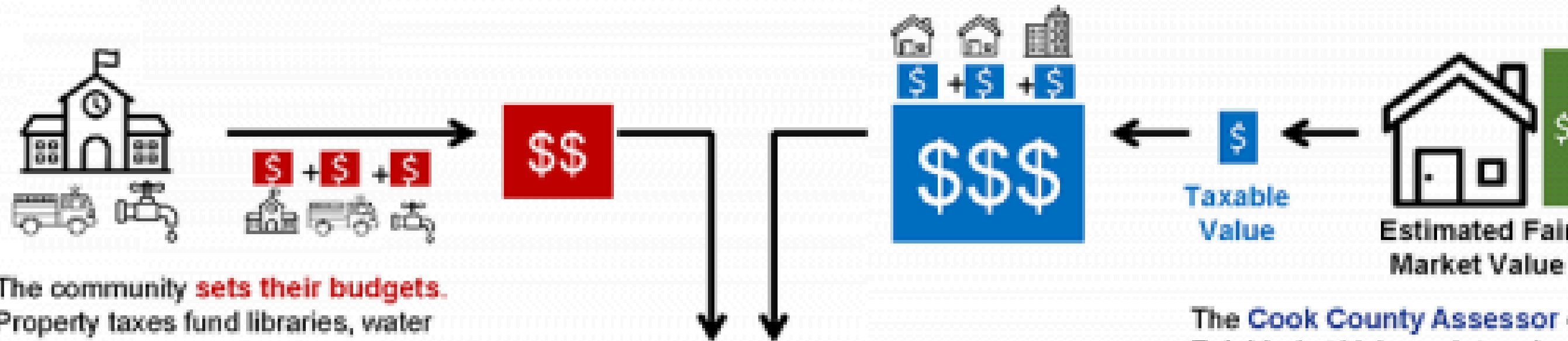
Mayor Harold Washington had the intention for TIFs to economically and socially benefit our communities. **However,** corruption and greed have created a negative legacy for TIFs in our communities. **The concerns about the Pilsen TIF are therefore valid.**

Nonetheless, with the Pilsen TIF set to expire in 2034, the alderman views this as a pivotal opportunity for residents to utilize these funds strategically. **The alderman has committed to and has demonstrated determination in ensuring that all Pilsen TIF funds serve the public good, specifically in regards to youth and working class families.** The alderman wants to ensure that all small homeowners, small business owners, youth, and infrastructure needs can benefit from the funds. Nevertheless, the alderman has committed to listen to the community and assist with a development for a local review process

Property Taxes in Cook County:

Budget, then tax not tax, then spend

Cook County Assessor's Office



The community **sets their budgets**. Property taxes fund libraries, water reclamation, mosquito abatement, and schools. In most areas, over 50% of your property taxes fund schools.

Tax Rate

The Cook County Clerk balances your community's **budget needs** with the **Taxable Value** of your whole community to calculate your local **tax rate**.

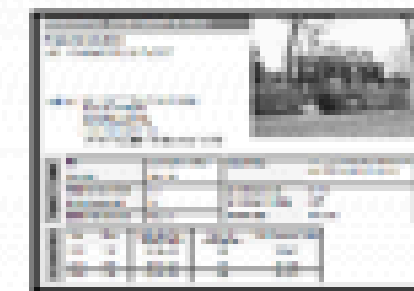
The **Cook County Assessor** estimates Fair Market Values, determines Assessed Values, and provides exemptions. These numbers are combined with the state equalizer to calculate your property's **Taxable Value**.

Your Assessed Value and exemptions are printed on your reassessment notices and online: cookcountyassessor.com

TOTAL Estimated Due		2018 General Inclusion Property Tax Bill - Cook County Clerk's Bill					
Amount	Due Date	Property	Value	Rate	Amount	Amount	Amount
\$1,234.56	12/31/2018	1234567890	100000	0.012345	\$1,234.56	\$1,234.56	\$1,234.56
		TOTAL DUE: \$1,234.56					

Tax Bill

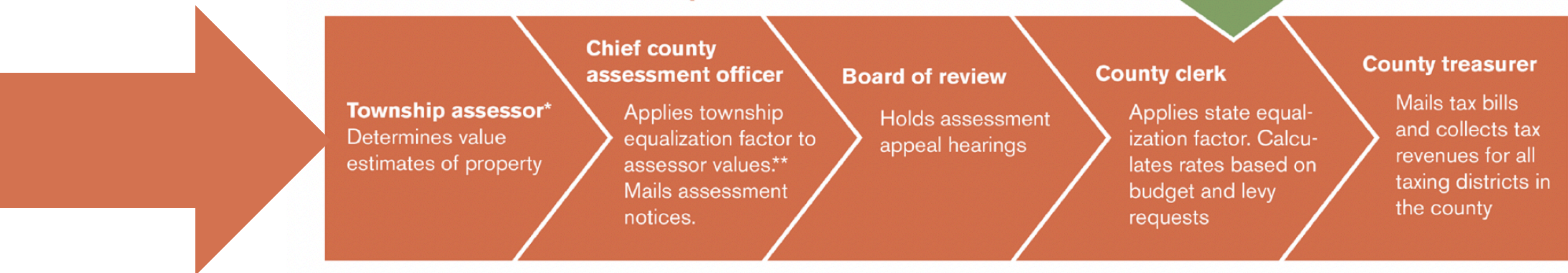
Your tax bill is the **tax rate** applied to your property's **Taxable Value**. The Cook County Treasurer mails your 2018 tax year bill in 2019.



Taxing districts' budget and tax levy cycle



Assessment and tax bill process



* In Cook and St. Clair counties the county assessor's office performs valuations. In commission counties, the supervisor of assessments performs this function.

** This does not occur in Cook County.

Source: Lake County Treasurer's Office website, "Your property assessment and billing cycle"
<http://www.lakecountyil.gov/DocumentCenter/View/1660>

Pilsen Industrial TIF Timeline



Byron Concejal Del Distrito 25
Sigcho-Lopez

25th Ward Alderperson ★ ★ ★ ★

PILSEN TIF TIMELINE:



**1998 - TIF
ESTABLISHED**

**2022 - TIF
EXPIRATION
EXTENDED**

Extended TIF Expiration:

- In 2022, the Pilsen TIF's expiration was extended to 2034.

Proposal for Expansion:

- After its extension, the alderman introduced a proposal for expanding the TIF district area to include additional residential and commercial areas.
- The alderman argues that this expansion aims to empower more residents to access vital funds, ensure community input in neighborhood development, and prevent displacement and loss of Pilsen's identity.

PILSEN TIF TIMELINE:



MAY 24, 2023

Initial Presentation and Feedback:

- On May 4th, 2023, the Department of Planning and Development and the 25th Ward Office presented the expansion proposal at Benito Juarez High School.
- The presentation was cut short due to concerns about property taxes and gentrification.
- Residents requested a full presentation as many felt they did not fully understand the proposal.

Further Community Engagement:

- Following the meeting, the alderman requested DPD to defer the item from the subsequent CDC to allow for more community engagement.
- The 25th Ward Office is committed to clarifying misconceptions about the expansion and its impact, aiming for a full understanding of how it would affect the community. This holistic understanding also includes the spaces for those to disagree and voice their reasoning.

WE ARE HERE

Develop a TIF

Review

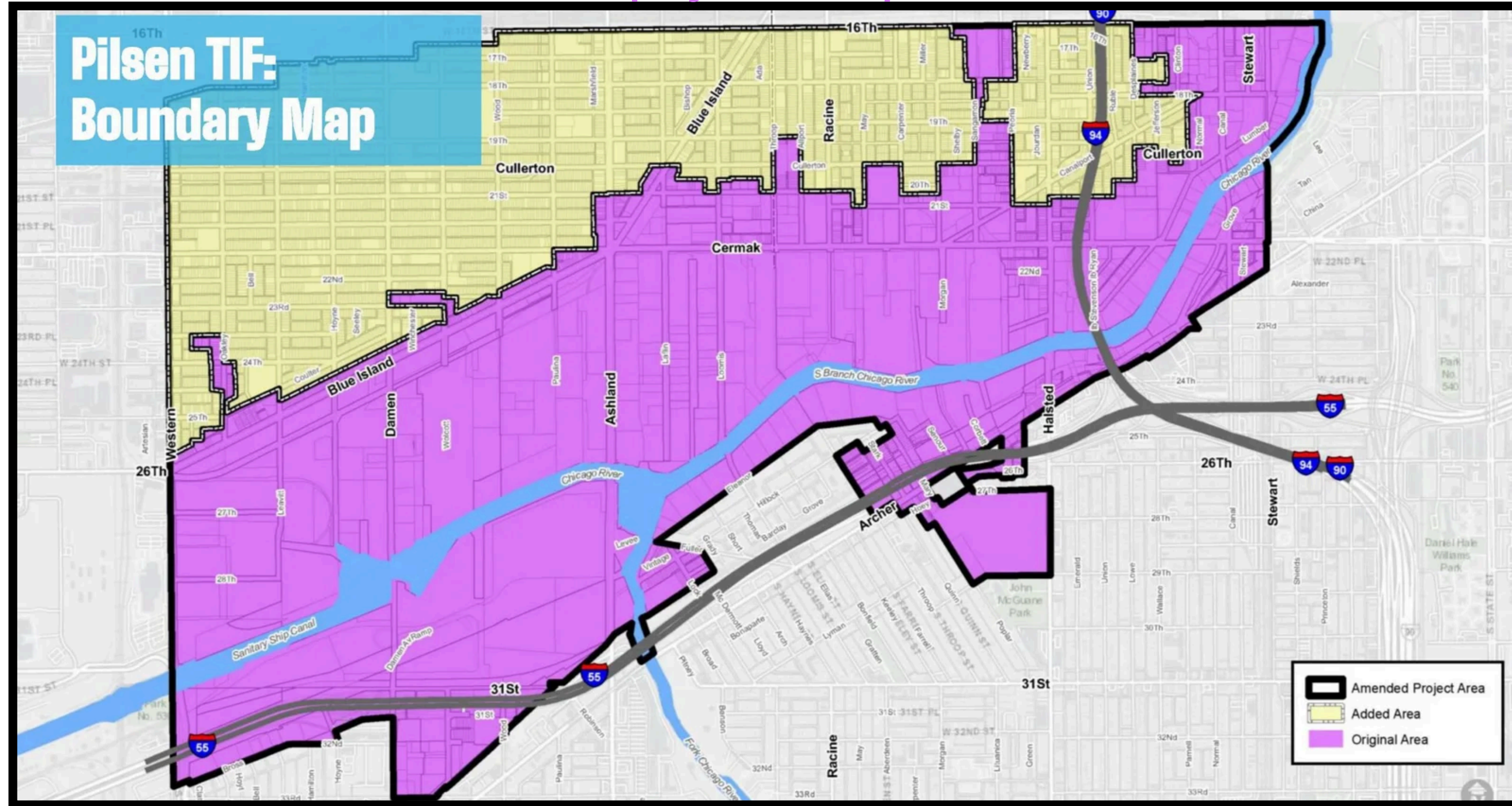
Committee

- The expansion is not about promoting TIF districts but ensuring broader access to funds available until 2034.
- Regardless of the expansion, the Pilsen TIF will remain in place until 2034, and the alderman aims to maximize access to these funds for more Pilsen residents.

**TIF EXPIRES
2034**

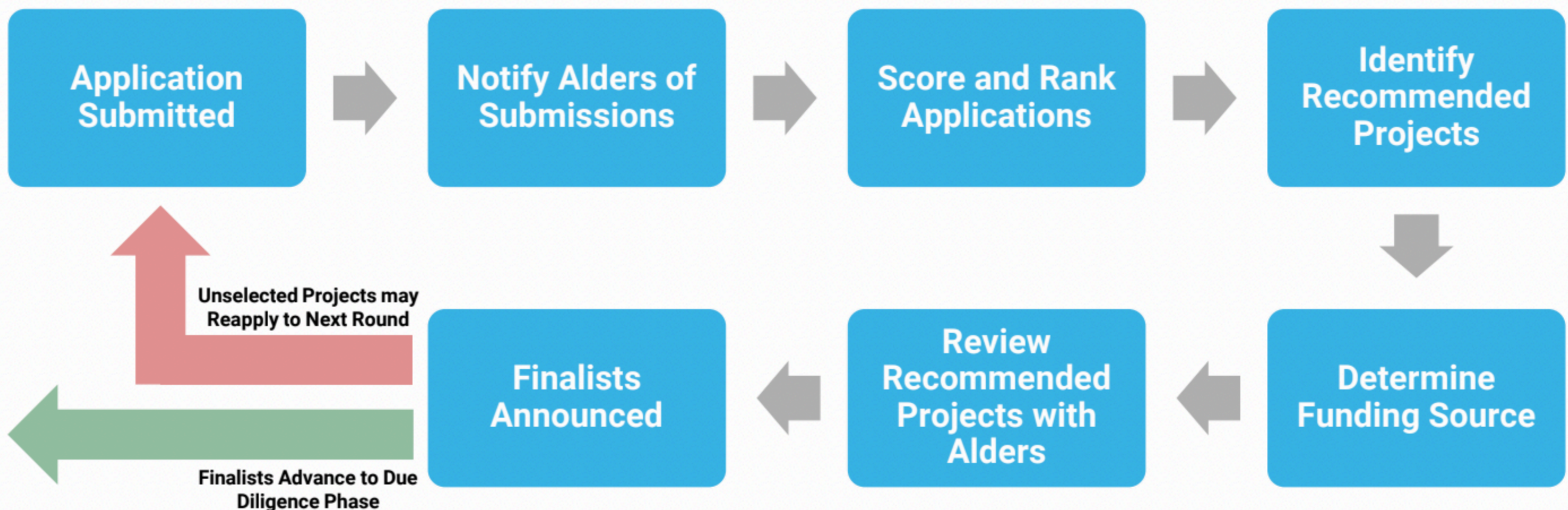
Pilsen Industrial TIF

*Displayed in Purple



HOW ARE TIF FUNDS REQUESTED FROM THE CITY?

Application Review Process

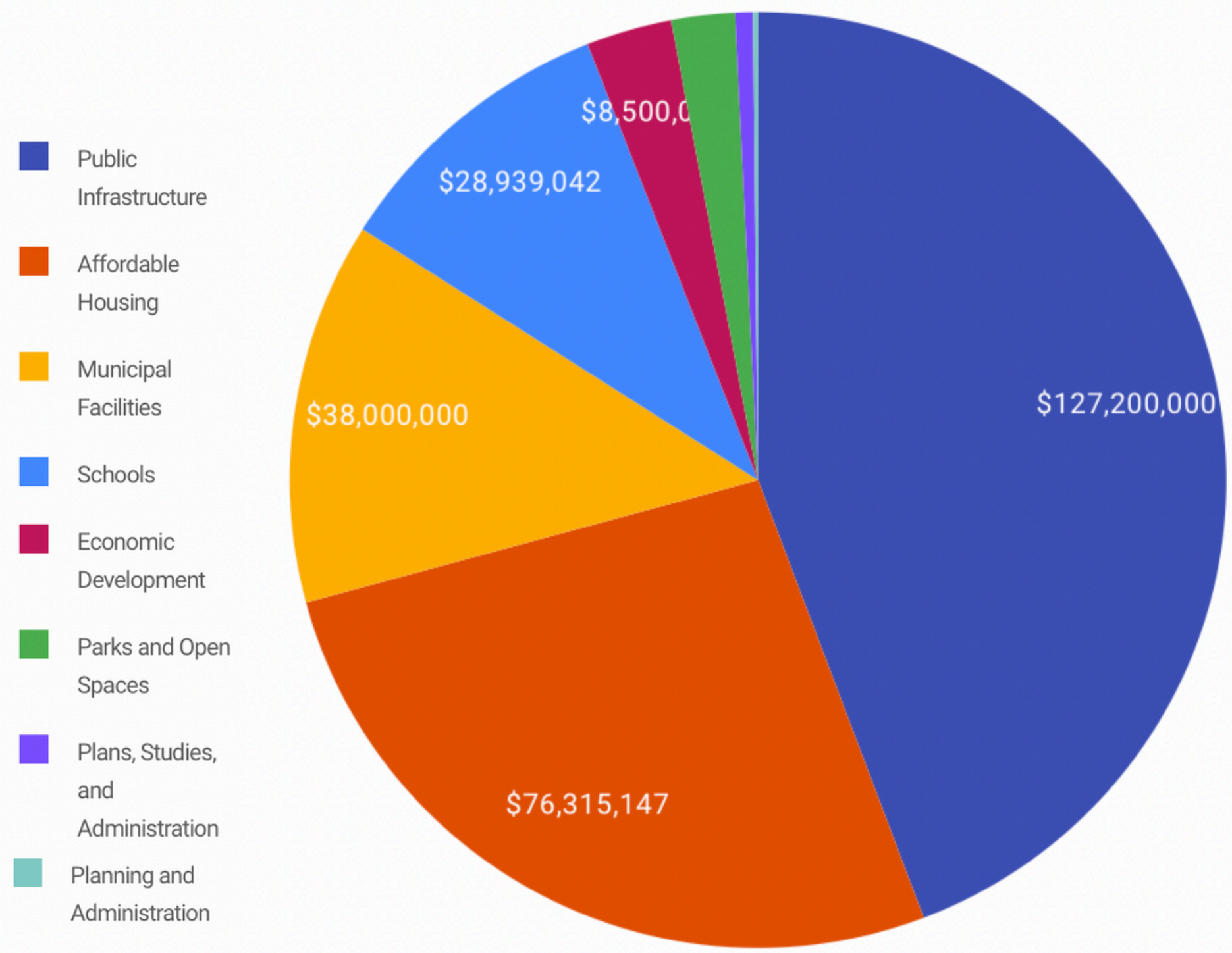


PILSEN TIF PROJECT COSTS 2019 - 2024

The City of Chicago provides data to demonstrate the projects that have been approved for each TIF district.

These visuals represent the funding allocations for projects from 2019 to 2024 for the current Pilsen TIF district. These visualizations are based on the available data provided by the City of Chicago, which is accessible to the public.

IMPROVEMENT TYPE	TOTAL PROJECT COST (Sum) (Pr...	Percent of Total
Public Infrastructure	\$127,200,000	44%
Affordable Housing	\$76,315,147	27%
Municipal Facilities	\$38,000,000	13%
Schools	\$28,939,042	10%
Economic Development	\$8,500,000	3%
Parks and Open Spaces	\$6,300,000	2%
Plans, Studies, and Administration	\$1,750,000	1%
Planning and Administration	\$500,000	0%



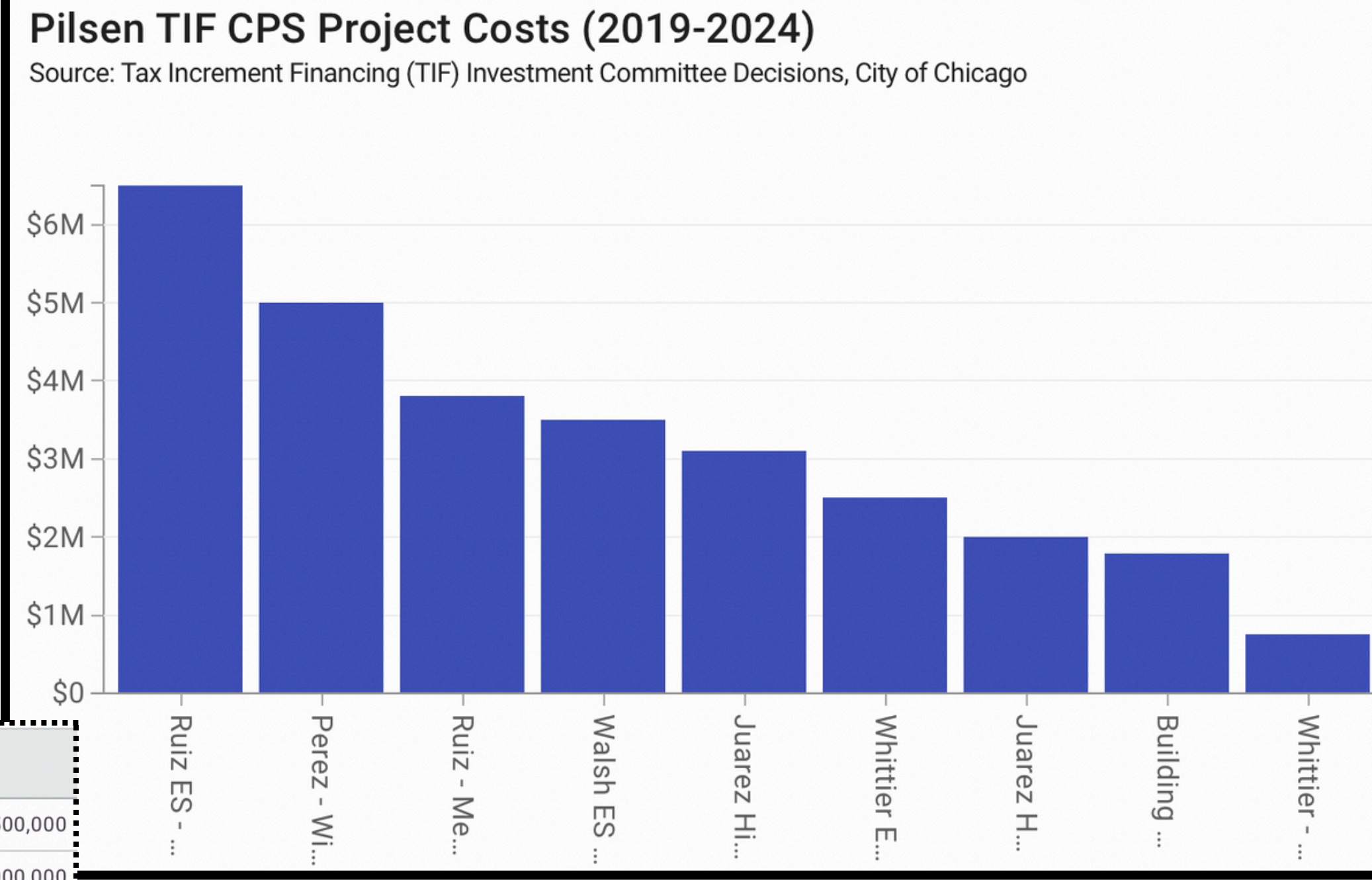
https://data.cityofchicago.org/d/nm3d-wkdd?category=Community-Economic-Development&view_name=Tax-Increment-Financing-TIF-Investment-Committee-D

CHICAGO PUBLIC SCHOOL - TIF

FUNDING PROJECTS

Both the City of Chicago’s budget and the Chicago Public Schools budget have fixed allocations that may not be adaptable to ongoing community needs. TIF Funds have been allocated towards ongoing school needs that may have otherwise faced delays.

Project summaries can be found in the City of Chicago data portal



PROJECT	TOTAL PROJECT COST (Sum) (Project/Projects)
Ruiz ES - Roof	\$6,500,000
Perez - Windows/Envelope	\$5,000,000
Ruiz - Mechanical	\$3,800,000
Walsh ES - Roof / Masonry	\$3,500,000
Juarez High School Locker Rooms	\$3,100,000
Whittier ES – Elevator	\$2,500,000
Juarez HS – Pool Area	\$2,000,000
Building Automation System (BAS) - CPS Central Region	\$1,789,042
Whittier - Chimney/Stack Reduction	\$750,000

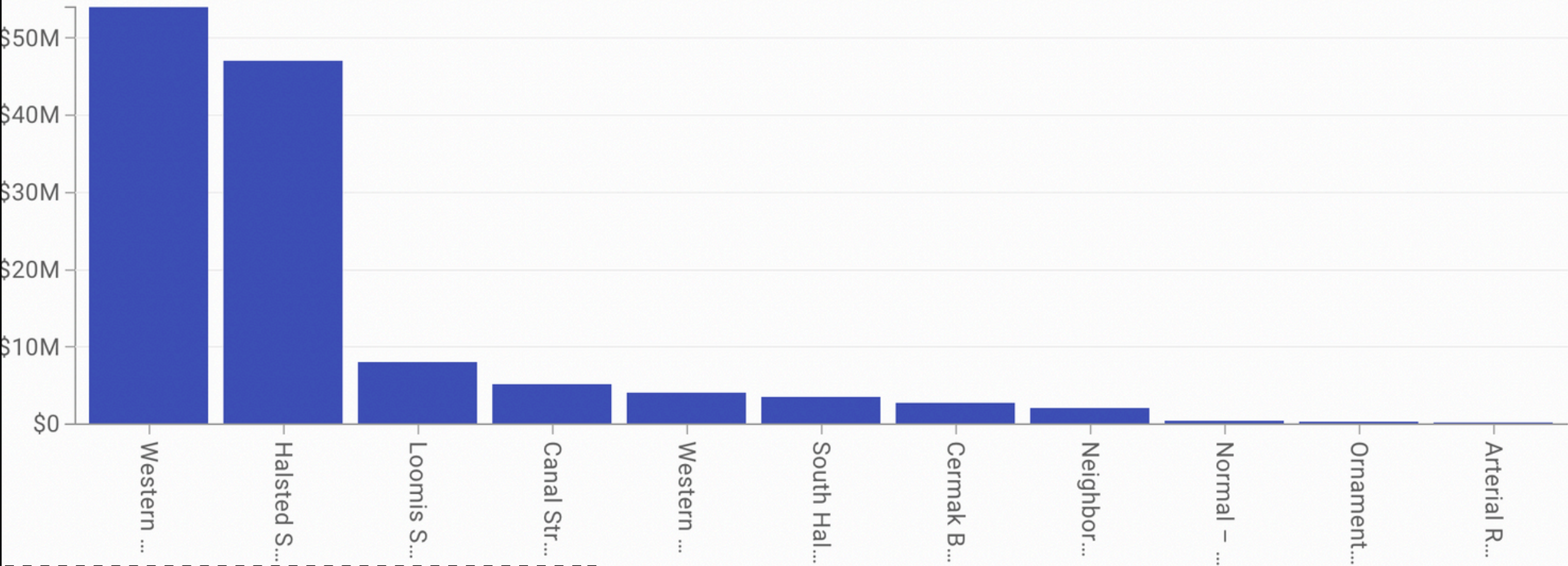
In a recent discussion with the Internal Government Affairs representative of CPS, they highlighted a substantial funding gap: \$13 billion is required to address the repair needs of all city schools, including \$3 billion in deferred maintenance requests.

https://data.cityofchicago.org/d/nm3d-wkdd?category=Community-Economic-Development&view_name=Tax-Increment-Financing-TIF-Investment-Committee-D

INFRASTRUCTURE TIF FUNDING PROJECT

The Pilsen TIF district may enable the allocation of these funds to other needs in our neighborhood. This would allow for us to fund projects that are not covered by menu money.

Source: Tax Increment Financing (TIF) Investment Committee Decisions, City of Chicago



PROJECT	TOTAL PROJECT COST (Sum) (Project/Projects)
Western Bridge over Sanitary and Ship Canal	\$54,000,000
Halsted Street Bridge Replacement	\$47,000,000
Loomis Street Bridge Repair	\$8,000,000
Canal Street Bridge Sidewalk Replacement	\$5,150,000
Western Avenue Bridge Repair	\$4,000,000
South Halsted Bridge Repair	\$3,500,000
Cermak Bridge Sidewalk Replacement	\$2,750,000
Neighborhood Lighting Infrastructure	\$1,985,000
Normal – Archer to Grove Viaduct Improvements	\$350,000
Ornamental Street Light Pole Replacement	\$280,000
Arterial Resurfacing Projects 87, 88, 89, & 90	\$185,000

Infrastructure funds can be used for public benefit such as:

- New street lighting
- Alley repavement
- Residential street repavement
- Residential Sidewalk Repairs

https://data.cityofchicago.org/d/nm3d-wkdd?category=Community-Economic-Development&view_name=Tax-Increment-Financing-TIF-Investment-Committee-D

Pilsen TIF Review Committee (TRC)



Byron Concejal Del Distrito 25
Sigcho-Lopez

25th Ward Alderperson ★ ★ ★ ★

MISCONCEPTIONS AND FACTS:

***There is a long history of a lack of TIF Transparency
when it comes to fund distribution***

“TIF has a long history of opposition throughout the city. Critics view these districts as tools used by developers and the City to deliberately redistribute public funds to wealthy areas and expedite gentrification in historically Black and Brown working-class neighborhoods by attracting private developments that lead to increased property tax and rental costs.”

This TIF Expansion will deprive the school district and other public goods of tax revenues

- **Commitment to keep TIF Funding within the district, whether its an expanded district or the current boundaries.**
- **TIF funds will NOT be given to developers who seek to displace Pilsen residents. Instead, funds have been and will continue to be used to create more affordable housing opportunities. Affordable housing tends to stabilize property values rather than increase them, which is the goal.**

1. Hugueley, Savannah. “Pilsen’s Prolonged Fight against TIF amid Gentrification.” *South Side Weekly*, 18 July 2023, southsideweekly.com/pilsens-prolonged-fight-against-tif-amid-gentrification/.

2. “What Are Some of the Most Common Myths Concerning Tif.” *TIF District - Tax Increment Financing*, Village of Westmont, www.westmont.illinois.gov/FAQ.aspx?QID=95.

3. Bruno, Robert, and Alison D Quesada. “Tax Increment Financing and Chicago Public Schools: A New Approach to Comprehending a Complex Relationship.” Labor Education Program White Paper, University of Illinois at Urbana-Champaign, Dec. 2011.

4. The Case for Abolishing the Tax Increment Financing (TIF) Program - A 33rd Ward Working Families Policy Brief, 33rd Ward Working Families, 18 Nov. 2019, www.workingfamilies33.org/wf33_policy_paper_abolish_tif. Accessed 10 Aug. 2024.

5. Smith, Brent C. “The Impact of Tax Increment Finance Districts on Localized Real Estate: Evidence from Chicago’s Multifamily Markets.” *Journal of Housing Economics*, vol. 15, no. 1, Mar. 2006, pp. 21–37, doi:10.1016/j.jhe.2006.02.003.

MISCONCEPTIONS AND FACTS:

***There is a long history of a lack of TIF Transparency
when it comes to fund distribution***

Our findings suggest that developer-specific subsidies for commercial and residential projects and community development expenditures are most quickly capitalized into property values. Commercial development expenditures show a smaller, but still significant, relationship with longer-term appreciation. Infrastructure investments, counterintuitively, depress values.”

- **There is concern about there being handpicked organizations who will get all TIF funds.**

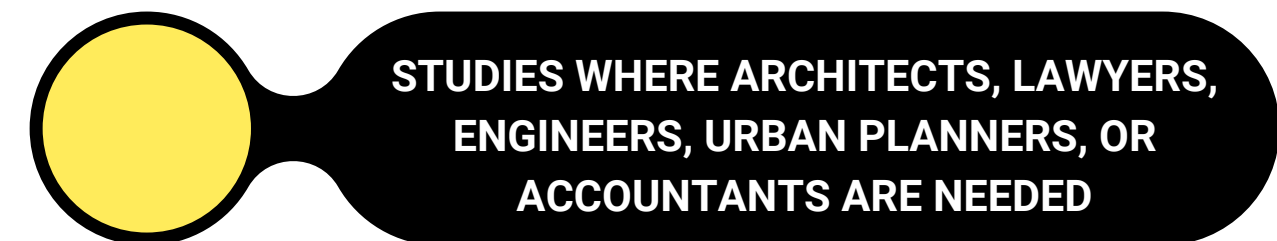
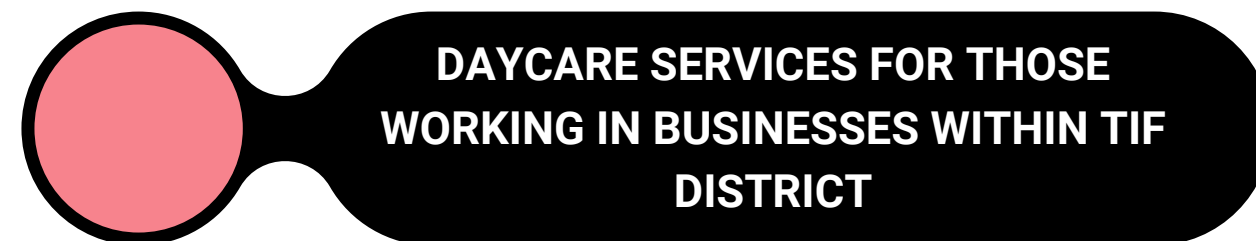
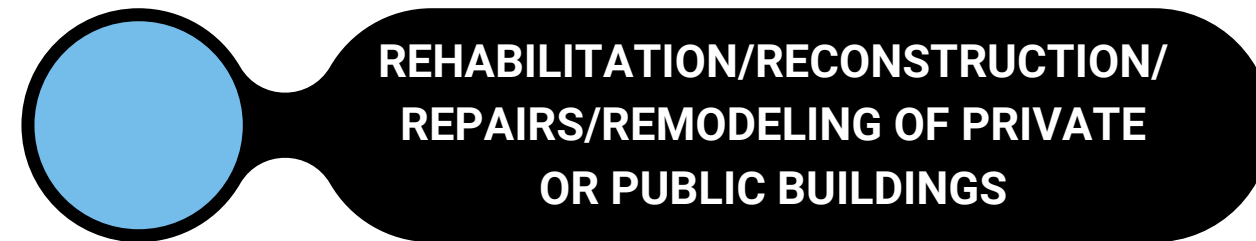
- **Historically, providing funding for private developers interested in commercial and residential development, has lead to a rise in property taxes. However, the alderman is committed to only provide TIF funds to small business owners and homeowners.**

- **The alderman wants to develop The TIF Independent Review Committee to provide recommendations to the 25th Ward Office. Any usage of funds will go through a public process.**

1. Tucker, Dan. “Tif Illumination Project Sheds Light on How Chicago Tax Dollars Are Used.” WBEZ, 19 May 2021, www.wbez.org/reset-with-sasha-ann-simons/2021/05/19/tif-illumination-project-sheds-light-on-how-chicago-tax-dollars-are-used. Accessed 10 Aug. 2024.

ADDITIONAL OPPROTUNITIES

These are additional opportunities that can happen using TIF Funds:



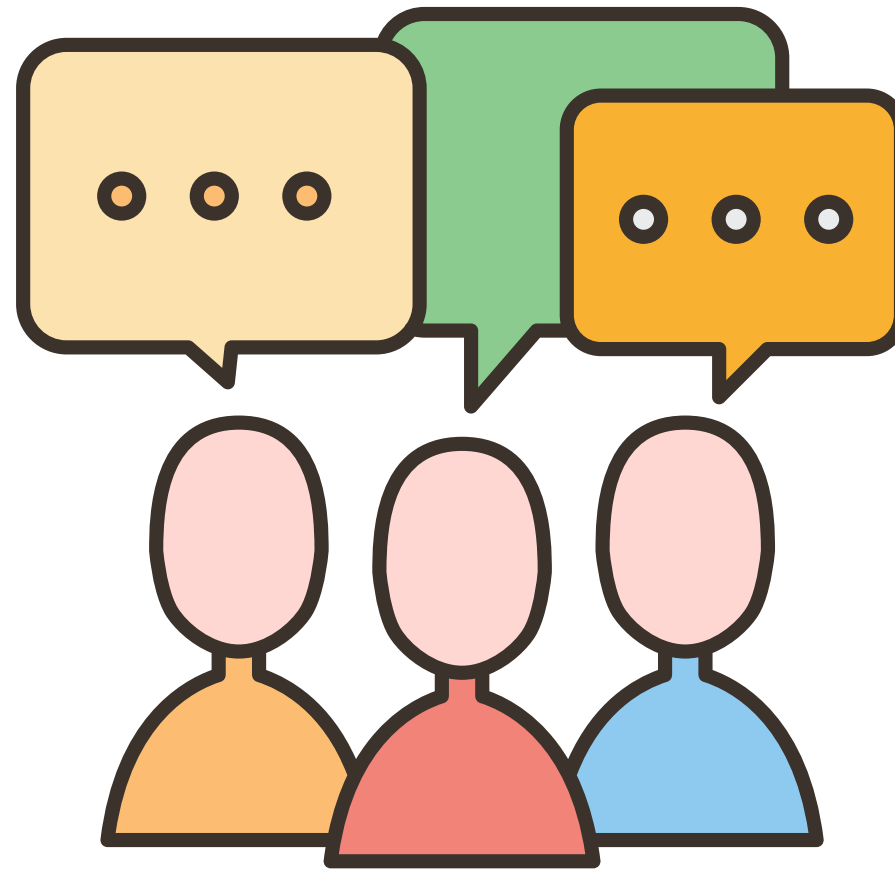
Residents may submit their opinions and recommendations for TIF Fund priorities by visiting
25THWARD.ORG

HOW WOULD YOU LIKE TO SEE THE PUBLIC PROCESS?



Question & Answers

HOW WOULD YOU LIKE TO SEE THE PUBLIC PROCESS?



WHAT COMMITMENTS WOULD YOU LIKE TO IMPLEMENT?

WHAT OTHER INFORMATION WOULD YOU LIKE TO RECEIVE?

THANK YOU



Byron Concejal Del Distrito 25
Sigcho-Lopez

25th Ward Alderperson ★ ★ ★ ★