

Executive Summary

The future for TIF is very uncertain. However, what is certain is the city of Chicago will continue to use TIF as an economic stimulus for blighted areas. Though the term blighted is used very loosely when determining what areas will be given a TIF, the city has found many creative ways to justify funding for areas that do not fit this terminology.

Commissioner Quigley and his staff have fought tirelessly to get the city to establish transparent financial practices to support the usage of TIF as an economic development tool for these aforementioned areas. After close analysis of TIF, one can not help but to wonder why the city of Chicago would create a TIF for an area like the central business district then try to justify it as blighted to local residents.

Ultimately, the Commissioner believes much more public information is needed to assist taxpayers in making their own judgments on TIF. This financial and highly political debate has spawned a number of critics that believe better information is crucial and access alone – is power. As a result of this debate we were charged with creating an Access database from TIF reporting years 2002-2005. The database is a compilation of Excel spreadsheets that Commissioner Quigley and his staff have collected throughout the years and due to time constraints were unable to transfer this potent information to a more accessible processing application like Microsoft Access. Therefore, financial transparency is a necessity when trying to define and regulate TIF funds.

This report looks at several of the questions surrounding the financial reporting of TIF. Our focus is on all 132 Chicago TIFs from 2002-2005; and the creation of a system that could be used to interpret the yearly financial statements of TIF funds.