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Annual TIF distribution tops \$2.5 million

Checks totaling more than \$2.5 million dollars were sent to Cook County today for distribution to Oak Park's 13 taxing bodies as the Village's annual distribution of tax increment finance (TIF) revenues.

The Village's two school districts will receive about \$1.6 million – \$801,920.45 for elementary school District 97 and \$747,107.81 for high school District 200. The distribution is based on each taxing body's share of total property tax collected in the annual levy. The two school districts combined receive about 64 cents of every property tax dollar paid by residents.

"Today's surplus distribution reflects the ongoing adherence to past agreements," said Village Manager Tom Barwin. "The Village had budgeted for the current distribution, advised the districts in December of the planned distribution and the Board approved the action in January, subject to March tax receipts."

Finalizing the distribution amounts relies upon county tax data and typically takes a few months calculate. According to Barwin, once this payment is made to the county, the taxing bodies should receive the funds within 30 to 90 days.

This year's TIF surplus distribution is based on the 2008 property tax levy and reflects property taxes collected by Cook County in 2009. Funds come from the Village's two TIF districts – the Downtown TIF and the Madison Street TIF.

This payment is not related to the recent District 200 litigation against the Village.

The tax increment finance district is a state economic development tool available to local communities that works by freezing property values within a defined area. The tax revenue from any incremental growth in value above the base level is then reinvested within the TIF according to guidelines, typically for infrastructure improvements, to spur job creation and grow the local tax base.

Oak Park has used TIF funds to create developable sites, remove environmental hazards remaining from past land uses, improve infrastructure and partially finance parking within the districts where the money is collected.

The Downtown TIF is scheduled to expire in 2019.

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