CHICAGO PARK DISTRICT

Tax Increment Financing (TIF) 2026 Surplus Overview

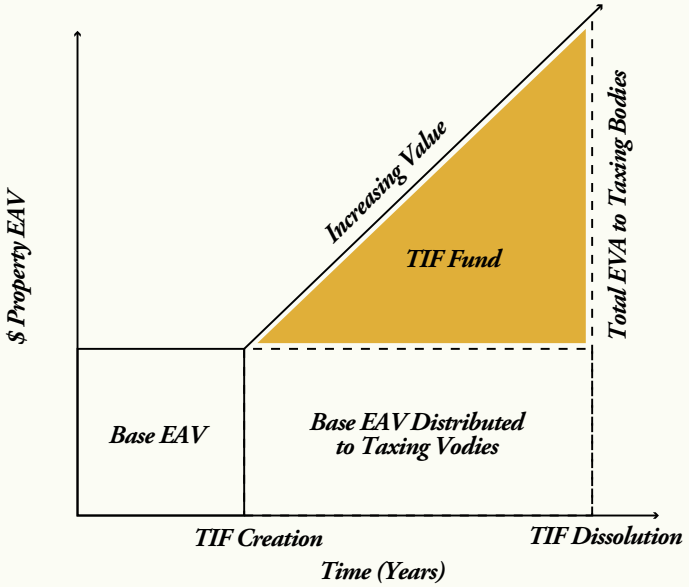


A new playground unveiling at Carver Park made possible through Chicago Grows Together.

Chicago Park District

Overview

Tax Increment Financing (TIF) is an economic development financing tool aimed to incentivize new development in currently disenfranchised neighborhoods. TIF Districts are established as specifically delineated geographies that can benefit from increased investment. The goal of the TIF program is for public investment into a TIF District to encourage and incentivize further private investments into the neighborhood. TIFs are authorized under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4), administered by the City of Chicago (City), and are originally designated to last for 23 years with the potential to exercise a one-time 12-year extension for a total of 35 years with State and City Council approval. TIF districts are funded by freezing the base Equalized Assessed Value (EAV) of the district for what taxing bodies can collect during the duration of the TIF district and then using the increased EAV to fund development projects directly in the geography of the specific TIF as the chart illustrates on the right.

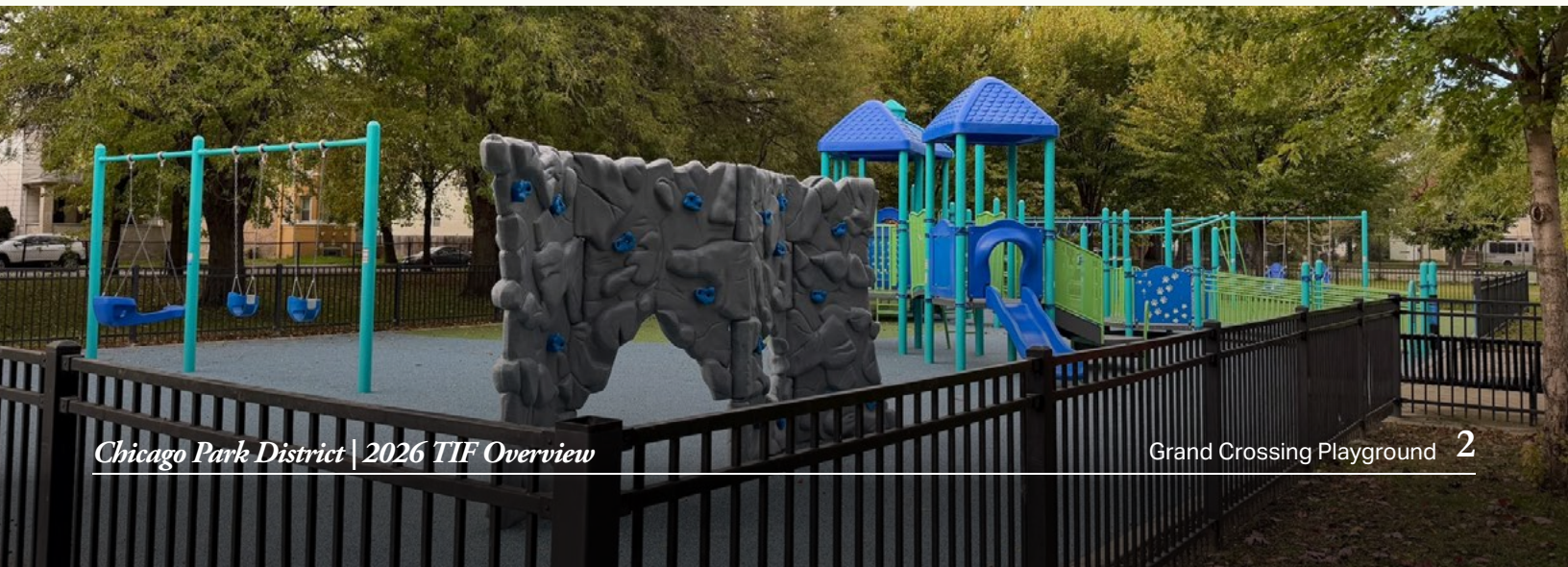


In order to receive funding for capital projects, the Chicago Park District (CPkD) goes through a formal request process with the City. The TIF Request Review (TRR) is the most recent governing process. CPkD proposes a project to the City's Department of Planning & Development (DPD) who first reviews the proposed project for eligibility and then, if eligible, the project is moved to the City's Office of Budget & Management (OBM) to assess funding availability before finally moving to the Deputy Mayor of Business and Neighborhood Development (BND) for review. Once a CPkD project received approval from the three TRR steps, the project requires a City Council's legislative approval for a project specific intergovernmental agreement (IGA). Each IGA has an exhibit of permissible costs for each project, and in order to receive TIF funds from an authorized project, CPkD front-funds the project costs before invoicing the City for reimbursement.

Another aspect of TIF is the surplus of unprogrammed funds. As designated by state statute (65 ILCS 5/11-74.4-7), "any such funds remaining in the special tax allocation fund after complying with the requirements of the application or pledge, shall also be calculated annually and deemed "surplus" funds." The state statute does not give direct guidance on how municipalities shall declare TIF surplus amounts – rather mandating that it must occur. As a result, the City of Chicago has developed the following policy on TIF surplus regarding the uncommitted fund balance within each TIF district at the end of each fiscal year:

- 0% of funds under $750,000 in year-end, uncommitted fund balance
- 25% of funds between $750,000 - $1,500,000
- 75% of funds between $1,500,000 - $2,500,000
- 100% of funds over $2,500,000

Once a surplus is declared, typically as part of the City's annual budget, the exact surplus amount from each district must be declared to Cook County within 180 days after the close of the fiscal year, and the County then distributes the surplus funds to each taxing agency. The amount each taxing agency receives in TIF surplus is determined by the percentage of the total property tax bill they account for in that latest year.



Grand Crossing Playground

TIF Surplus History

Over the course of the last 15 years, CPkD's portion of the total property tax has reduced by 2.24% from 6.68% to 4.44%. Only Cook County's portion of the property tax bill has been reduced greater. CPkD, as a result, continues to receive a less percentage of TIF Surplus than it would have in prior years. If a $1 billion surplus was theoretically declared in the 2011 fiscal year, CPkD would have received $66.8 million instead of the $44.4 million it received in 2026's $1 billion surplus. The table below illustrates historic trends of Chicago's property tax and how that affects CPkD's portion of the TIF surplus.

Chicago Park District Fiscal Year ->	2011 Fiscal Year	2016 Fiscal Year	2021 Fiscal Year	2026 Fiscal Year
Tax Year Used to Determine Surplus ->	2009 Tax Year	2014 Tax Year	2019 Tax Year	2024 Tax Year
Board of Education	51.13%	53.76%	52.54%	54.86%
School Building & Improvement Fund	2.42%	2.14%	2.45%	1.96%
City of Chicago	19.17%	17.52%	23.27%	22.60%
Chicago Library Fund	2.14%	1.97%	1.76%	1.80%
MWRD	5.64%	6.32%	5.65%	5.14%
Cook County	8.52%	8.34%	6.59%	5.90%
Forest Preserves	1.06%	1.01%	0.86%	1.04%
City Colleges	3.24%	2.83%	2.16%	2.26%
Chicago Park District	6.68%	6.10%	4.73%	4.44%
CPkD Portion for each $100M in Surplus	$ 6,680,000	$ 6,100,000	$ 4,730,000	$ 4,440,000

Budget Period	Fund	Budget	Actuals
FY20	Operating	$ 9,000,000	$ 9,561,494
	Pension	$ 5,000,000	$ 5,000,000
FY20 Total		**$ 14,000,000**	**$ 14,561,494**
FY21	Operating	$ 9,000,000	$ 9,676,564
	Pension	$ 5,000,000	$ 5,000,000
FY21 Total		**$ 14,000,000**	**$ 14,676,564**
FY22	Operating	$ 7,500,000	$ 7,847,218
	Pension	$ 5,000,000	$ 5,000,000
FY22 Total		**$ 12,500,000**	**$ 12,847,218**
FY23	Operating	$ 11,500,000	$ 12,360,887
	Pension	$ 5,000,000	$ 5,000,000
FY23 Total		**$ 16,500,000**	**$ 17,360,887**
FY24	Operating	$ 12,500,000	$ 15,230,594
	Pension	$ 5,000,000	$ 5,000,000
FY24 Total		**$ 17,500,000**	**$ 20,230,594**
FY25	Operating	$ 16,500,000	$ 27,124,575
	Pension	$ 5,000,000	$ 5,000,000
FY25 Total		**$ 21,500,000**	**$ 32,124,575**
FY26	Operating	$ 25,000,000	*$25,837,000**
	Capital	$ 10,000,000	*$10,000,000**
	Pension	$ 11,000,000	*$11,000,000**
FY26 Total		**$ 46,000,000**	***$46,837,000****

**Estimated totals, waiting for complete Cook County reporting to be published*

CPkD historically takes a modest approach to budgeting TIF surplus due to multiple factors. In addition to CPkD's shrinking slice in the property tax pie, TIF surplus is a one-time revenue source. Starting in 2020 through internal policy and then codified at state level in 2021 during pension reform legislation as an allowable funding source, CPkD has budgeted $5 million of its TIF surplus budget annually towards its actuarially determined pension payment. The remaining portion of the surplus has gone to support general District operations. Budgeting $5 million towards pension annually has assisted CPkD in maintaining long-term financial stability in the pension fund, which, together with high credit ratings, a large fund balance and balanced annual operations budgets has kept the Chicago Park District in a strong financial position.



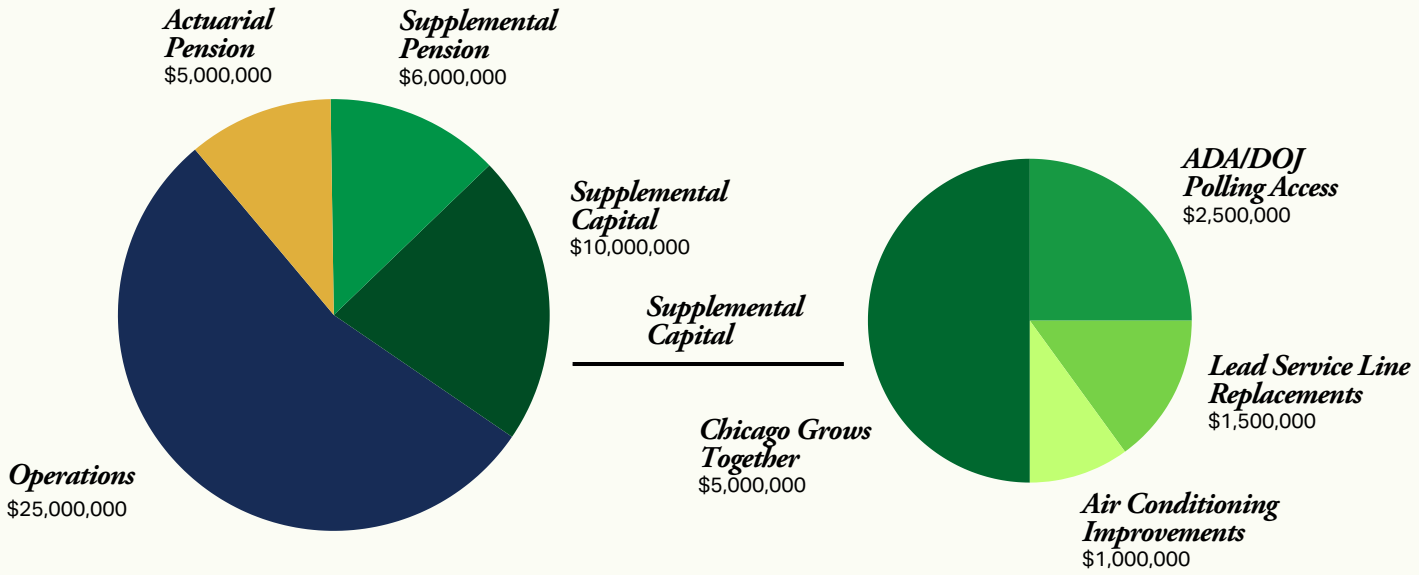
South Shore Cultural Center received interior and exterior refinishes utilizing TIF surplus funding from Chicago Grows Together.

TIF Surplus Investment

TIF Surplus Investments

During the 2026 budget development period, CPkD strategized on making TIF Surplus investments that reflected the one-time nature of the revenue source. Once it became clear the City was going to recommend a $1 billion surplus, CPkD invested $16 million into one-time, non-structural investments through a $10 million supplemental capital program and a $6 million supplemental pension investment. $5 million continued to go towards the actuarial pension payment as set by internal policy. Finally, the remaining $25 million was budgeted to support general operations.

2026 TIF Surplus Budget - $46 Million



Operating Support

The $25 million support from TIF surplus for 2026 assisted CPkD with maintaining seasonal hiring investments. CPkD's applicant pool for seasonal positions overlaps hiring teens and young adults. In 2026, CPkD invested $24.3 million in seasonal employment that resulted in an additional 3,500 headcount for the summer season. With a total headcount of just over 7,100, seasonal employment represents close to half of the budgeted employees CPkD has on an annual basis.

Pension Support

CPkD employees are a part of the Parks Employees' Annuity & Benefit Fund (PEABF). As previously stated, CPkD started investing $5 million annually in TIF surplus revenues in 2020, and that practice has continued annually through 2026. Not only does this help CPkD meet its actuarially determined pension payment but also helps ensure that CPkD is not overcommitting resources within its corporate fund for pension payments.

Within the 2026 budget, CPkD was also able to supplementary invest $6 million into its pension fund. Not only was this supplementary pension payment able to help reduce the difference between the anticipated inflows vs. outflows in 2026, every $1 additional invested into the pension fund in the current year is the same as investing $3 in 30-years. Strategic investments into the pension fund in current years places the District in a stronger financial footing for future decades.

Supplemental Capital Investments

Within the 2026 TIF surplus is a one-time $10 million supplemental investment to the capital program to fund critical projects for health, safety and accessibility across the District.

Chicago Grows Together

The Chicago Grows Together (CGT) fund directs $5 million to deferred maintenance and equitable infrastructure solutions for parks in communities with high socioeconomic hardship. Following a five-point evaluation for eligibility, including a prioritization for deferred maintenance projects with strong community interest, 16 projects will be funded under Chicago Grows Together. Projects include gym floor replacements, playground renovations, sport field upgrades, and more.



Polling Accessibility

Parks for All is a key goal in the Chicago Park District's 2025-2030 Strategic Plan to provide a park system that ensures inclusivity for people of all identities and abilities. In addition to the typical accessibility improvements included in capital improvements, the Department of Justice initiated an unfunded, systemic program to ensure all voting booth locations in Chicago are accessible for persons with mobility disabilities. Upgrades to 138 Park District field houses are underway with 130 sites complete or in construction and the balance of 8 locations in design. $2.5 million in TIF surplus is supporting this initiative.

Lead Line Service Replacement

The Park District operates over 1,000 outdoor drinking fountains and over 250 facilities with indoor drinking fountains across the city. Until lead was banned in 1986, all fountains were installed with lead service lines as were many water lines providing service to the fieldhouses. The District still has hundreds of these lead service lines within our plumbing system. In 2016 the Park District began a comprehensive water testing and replacement program to ensure safe drinking water for park staff and patrons. In 2023, the District increased resources towards this initiative by funding two dedicated plumbing crews to lead service line remediations. $1.5 million in TIF surplus is supporting this critical work to continue through 2026.





Air Conditioning Improvements

Extreme heat is one of Chicago's most significant weather-related public health risks. By strategically investing in cooling improvements, the Chicago Park District is helping ensure residents have safe, welcoming spaces to stay cool while building more resilient neighborhood parks. Using the Heat Vulnerability Index (HVI)—a neighborhood-level mapping tool developed by Northwestern University, researchers, and the City of Chicago—the Park District identified community areas facing the greatest health risks during extreme heat events and prioritized investments accordingly. Made possible by the 2026 TIF surplus, the Chicago Park District is investing $1 million in 2026 through a pilot initiative to upgrade air conditioning systems in 42 field houses serving the city's most heat-vulnerable neighborhoods. This effort complements the District's network of 41 designated cooling centers, ensuring residents have safe, comfortable places to escape dangerous temperatures while testing innovative, cost-effective cooling technologies for future expansion.

For more information about your Chicago Park District, visit **www.ChicagoParkDistrict.com** or call **(312)-742-7529**. To view Chicago Park District capital projects, please visit: **www.ChicagoParkDistrict.com/Featured-Capital-Projects**

Looking Ahead to 2027

Future TIF Considerations

Large TIF surplus distributions provide the Chicago Park District with an important opportunity to address longstanding infrastructure needs, improve accessibility, strengthen neighborhood parks, and support employment opportunities across Chicago.

The District's 2026 investments demonstrate how these resources can support equitable infrastructure improvements, critical facility upgrades, public health and safety, and long-term financial stability.

As the City considers its 2027 TIF surplus declaration, a larger surplus would provide additional resources to taxing bodies, including the Chicago Park District, helping us continue investing in neighborhood parks, supporting good union jobs, and improving recreational facilities for Chicago residents.

The Chicago Park District remains committed to the responsible use of these resources, prioritizing equitable investments and long-term financial sustainability.

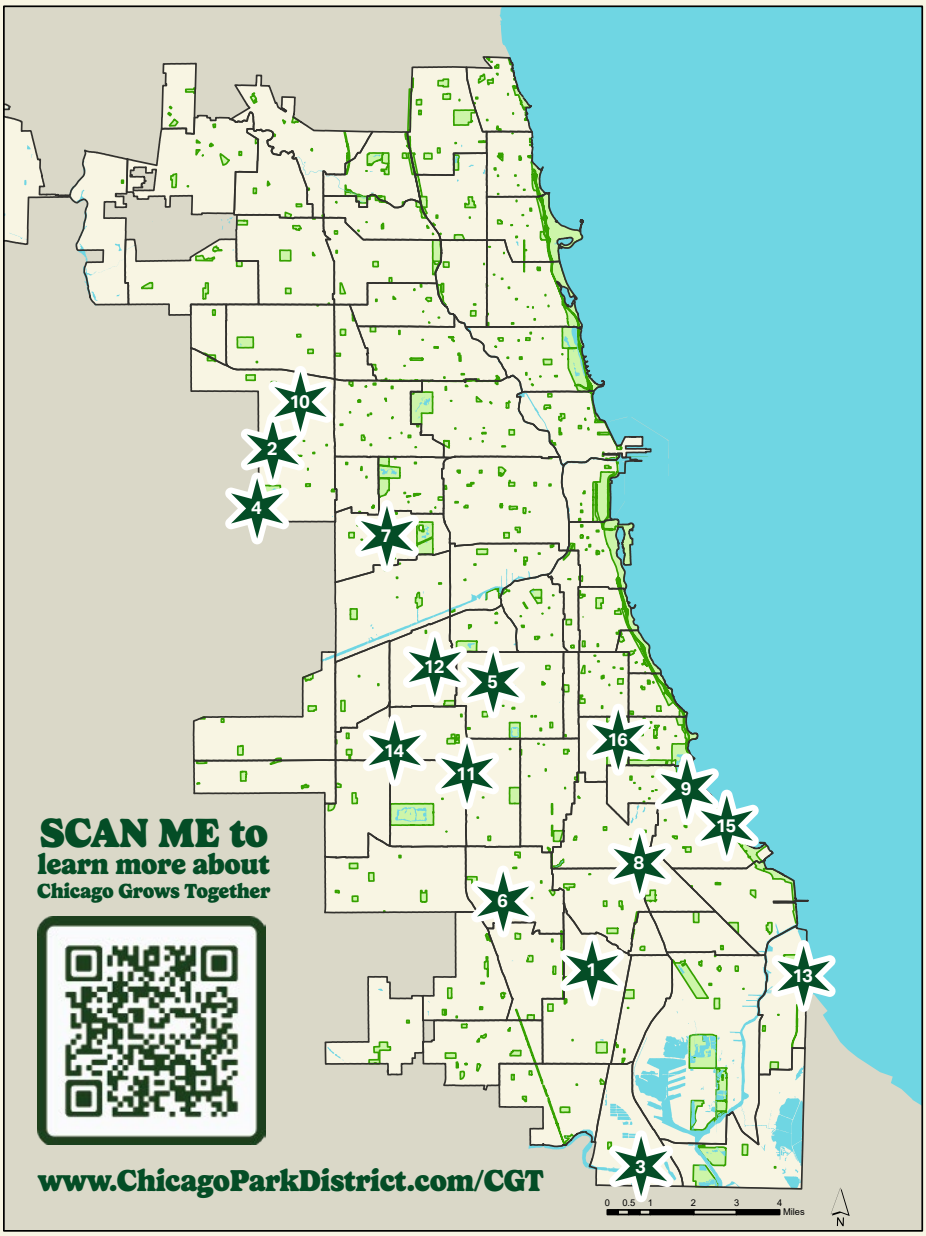
CHICAGO PARK DISTRICT
Chicago Grows Together

CHICAGO PARK DISTRICT
Stay Cool Together
Air Conditioning Improvements



CHICAGO PARK DISTRICT

Chicago Grows Together



Chicago Grows Together is the Chicago Park District's equitable infrastructure improvement program, bringing investment to neighborhood parks in communities that have been under-resourced for far too long. Funded through Mayor Johnson's historic TIF surplus, this initiative is advancing improvements at 16 parks across Chicago's South and West Sides.

Map	Project	Investment
1	**Abbott Park** Track and Field • major renovation	$400K
2	**Austin Town Hall Park** Gym Floor • replacement	$300K
3	**Carver Park** Playground and Site Improvements • new	$250K
4	**Columbus Park** Gym Floor • replacement	$300K
5	**Davis Square Park** Water Playground • major rehab	$250K
6	**Foster Park** Water Playground • major rehab	$250K
7	**Franklin Park** Site Improvements benches, picnic tables, baseball field rehab	$200K
8	**Grand Crossing Park** Playground and Site Improvements • new	$250K
9	**Jackson Park** Burnham Building • major renovation	$500K
10	**LaFollette Park** Locker Room and Balcony Seat • renovations	$500K
11	**Lindblom Park** Track - major renovation	$250K
12	**Kelly (Edward) Park** Sports Fields Improvements	$200K
13	**Park No. 608- CDF** Framework Plan	$500K
14	**Senka Park** Site Improvements paving, drainage, turf recarpet	$400K
15	**South Shore Cultural Center** Interior Finishes and Exterior Pathway	$250K
16	**Washington Park** Ballfield Improvements	$200K

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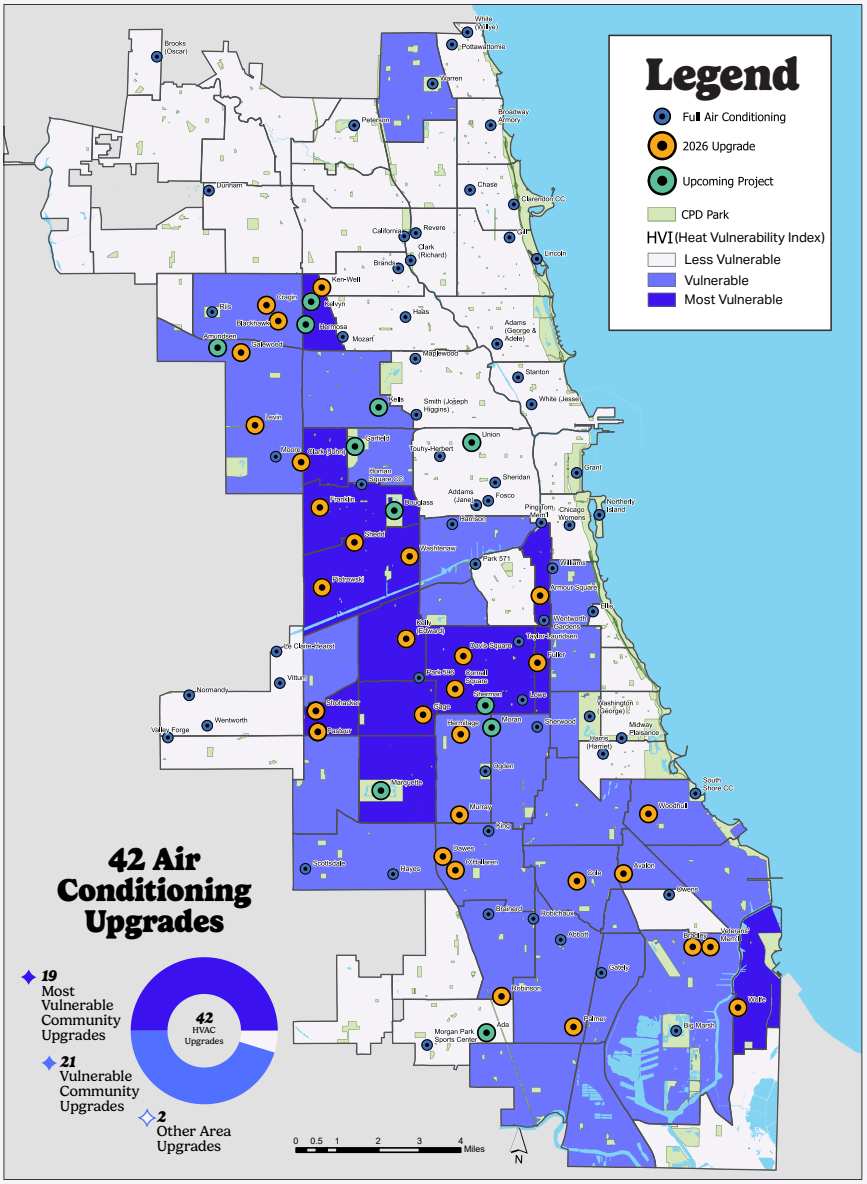
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City of Chicago | Brandon Johnson, Mayor
Chicago Park District | Board of Commissioners
Carlos Ramirez-Rosa, General Superintendent & CEO

STAY CONNECTED.

CHICAGO PARK DISTRICT
Stay Cool Together
Air Conditioning Improvements



Let's stay cool & safe together during extreme heat!

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SCAN ME
to learn more about upgrades coming to your parks!

www.ChicagoParkDistrict.com/Featured-Capital-Projects

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