TAX INCREMENT FINANCING (TIF) FACT SHEET

TIF FACTS8

TIF IS NOT A TAX AND DOES NOT INCREASE YOUR TAXES

TIF redirects a portion of the property taxes already being paid within the downtown district and reinvests those funds into critical public infrastructure, maintenance and services that support a vibrant and economically healthy downtown. Eliminating TIF would not reduce your property taxes.

TIF FUNDS ARE ONLY CAPTURED WITHIN THE DOWNTOWN DISTRICT

TIF funds are only be captured within the downtown district. Property owners outside the Downtown District do not contribute to TIF.

TIF CANNOT FUND PRIVATE DEVELOPERS

Under Michigan Law, TIF can only be used to fund public infrastructure. TIF funds cannot be directly granted to private developers for private development projects.

WASN'T THERE AN AGREEMENT TO LET TIF EXPIRE AFTER 30 YEARS?

While it is true that some policy makers at the time identified a 30 year commitment for TIF in 1997, we are now living amidst new infrastructure and economic realities, and Downtown, while certainly more viable, is not "done". The COVID-19 pandemic revealed how fragile vitality can be, and how important a vibrant downtown is to long-term economic resiliency. More recently, the regional flooding of this past April reinforced the need for ongoing investment in infrastructure systems that protect public safety and private property, improve water quality and ensure long-term sustainability. This is precisely why Michigan the Michigan statue allows TIF Plans to be extended, allowing communities to reassess current and future needs and continue to utilize TIF to steer local and regional prosperity.

Good governance requires periodic re-examination of long-term policies as community needs, infrastructure conditions, economic realities, and public priorities evolve. The decision to consider an extension of the TIF Plan reflects a thoughtful review of current circumstances rather than a commitment to maintain past assumptions indefinitely. Just as communities regularly revisit master plans, capital improvement programs, and budgeting priorities, it is appropriate to evaluate whether TIF remains a useful tool for addressing ongoing public infrastructure needs.

The proposed amendment is not simply an extension of the existing plan. It reflects current conditions and community priorities by incorporating a revenue-sharing model that returns a portion of future tax increment growth to local taxing jurisdictions while continuing to provide a stable funding source for critical downtown infrastructure investments. Reassessing and, when appropriate, revising previous policy decisions is a hallmark of good governance and long-range planning.

INFASTRUCTURE FIRST
TIF PLAN
PRESERVE • MAINTAIN • IMPROVE

DOWNTOWN TC TRAVERSE CITY

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