

TAX INCREMENT FINANCING (TIF) FACT SHEET

WHAT'S NEXT
FOR TIF?

7

WHAT IS THE INFRASTRUCTURE FIRST TIF PLAN?

The Downtown Development Authority and City of Traverse City are proposing to amend the current TIF-97 Plan (the amended plan is being renamed the "Infrastructure First TIF Plan"). The amended plan would extend the duration of the TIF by 20 years. The amended TIF Plan includes several critical infrastructure projects focused on streets, sidewalks, trails, utilities, shoreline preservation, and water quality, as well as plans to continue regular maintenance of existing infrastructure and provide core services. In addition, the amended plan includes a new revenue-sharing model that ensures more money is returned to the participating taxing entities. The "Infrastructure First TIF Plan" was guided by extensive community engagement, including the city's recent Strategic Action Planning process.

Due to charter amendments approved by the voters in 2024, any amendment or extension of a TIF plan must now be approved by voters before taking effect. Accordingly, the Infrastructure First TIF Plan will appear on the upcoming November ballot where residents will ultimately decide whether to continue using this important funding tool to invest in public infrastructure.

WHY IS THE DDA AND CITY PROPOSING TO AMEND THE PLAN NOW?

TIF-97 is scheduled to expire in 2027. The lack of clarity on the future of this important funding tool creates significant financial uncertainty for the DDA's and City's operations and capital budget. The extension of TIF is critical to help finance long-term community infrastructure projects, as well as maintenance and services that help the community realize a successful future.

**INFRASTRUCTURE FIRST
TIF PLAN**
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