



CITY OF TRAVERSE CITY
IMPLEMENTATION POLICY FOR
CHARTER §28 TIF AMENDMENTS

1. Background: The following language was added to Section 28 of the City Charter at the November 2024 election:

“We declare that tax increment financing (‘TIF’) plans shall be submitted to a vote of the people, since TIF plans divert local property tax revenue away from the general fund and basic city services such as police, fire, ambulance, streets and parks. Any proposal to create a TIF plan, or to modify, amend or extend an existing TIF plan, shall not be adopted or approved by the City or City Commission until after the proposal is submitted to and approved by a majority of the electors of the City at a regular election or at a special election held for that purpose.

The City Commission shall not attempt to evade the petition rights and voting rights of City residents. Any and all ordinances of the City to extend, amend, and/or modify Tax Increment Financing and Development Plan #97 (“TIF97”), which ordinance or ordinances were enacted or are enacted at any time after January 1, 2024 without first being submitted to and approved by a majority of the electors of the City at a regular election or at a special election held for that purpose are repealed and such ordinance or ordinances shall be void and of no effect.”

2. Purpose: The purpose of the City of Traverse City Implementation Policy for Charter §28 Tax Increment Financing (“TIF”) Amendments is to establish a procedure for implementation of the above referenced Charter provisions that may be relied upon by City administration, staff, and the public to ensure consistency and predictability in the administration of approvals related to TIF plans, as required by these provisions.

3. Procedure:

- a. Applicability: These Charter provisions are triggered by a proposal, that necessitates an action of the City or City Commission to create, modify, amend or extend a Tax Increment Financing (TIF) plan as of January 1, 2024.

- b. Timing of election:

- i. Once the requesting entity has submitted the proposed TIF plan, or proposed modification, amendment, or extension of an existing TIF plan to the City Clerk in writing, the City Commission shall take any action necessary or required to submit the proposal to the voters at the next regular or special election.
- ii. A proposed TIF plan shall be submitted to the City after all of the necessary or required actions of the requesting entity have been completed

according to the applicable statutory requirements up to the point of City or City Commission action. Such statutes include but are not limited to the Recodified Tax Increment Financing Act (Act 57 of 2018; MCL 125.4101 et seq.), and Brownfield Redevelopment Financing Act (Act 381 of 1996; MCL 125.2651 et seq.) as they may be amended from time to time.

c. Preamble on Ballot:

The preamble for all ballot proposals that are a subject of this policy shall be, “The City Charter of the City of Traverse City provides that the City or City Commission shall not adopt or approve any proposal to create a Tax Increment Financing (TIF) plan, or to modify, amend or extend an existing TIF plan until such proposal is approved by a majority of city electors at a regular or special election held for that purpose. The City of Traverse City has received a recommendation to [create/extend/amend/modify] a TIF plan from [INSERT NAME OF AUTHORITY], which TIF plan is on the City Clerk’s web page and on file at the City Clerk’s Office and available for public inspection. The proposed/amended/extended/modified TIF district is generally described as being bound by the following streets:_____ with a projected total capture of \$_____, which is an estimate only, to be used for the purposes allowed under the [INSERT NAME OF ACT].”

d. Ballot question: The question appearing on the ballot for consideration of the electors shall be “Shall the [_____] TIF Plan], submitted by [INSERT NAME OF AUTHORITY] be [created/extended/amended/modified] to be in effect for a term of [_____] years beginning [date] and ending [date]?”

e. Title of Ballot Proposal:

The City Clerk shall establish the title of the ballot proposal consistent with the titling of other ballot proposals, such as *City Proposal 1* or *City Proposal 2* and shall make such title available to all interested parties as soon as possible in an effort to clearly establish the identity of a given proposal in advance of the election for public discourse purposes.

f. Election costs: If the question appears on a regular election, there are negligible costs to the City and therefore no costs will be charged to the applicant. If the question appears on a special election at the request and discretion of the applicant, the applicant shall pay the incremental additional costs to the City for the special election. If multiple questions are placed on the ballot at the request of multiple applicants the incremental costs shall be divided equally among the applicants.

g. Approval/Disapproval of Electors:

- i. If the proposal *is not* approved at the election the proposal shall not be considered by the City Commission. The proposal may be placed before the electorate at the next available election, at the request of the applicant. There shall be no limit on the number of times an applicant may request to place the proposal before the electorate.
- ii. If the proposal *is* approved at the election, the proposal shall be scheduled for consideration by the City Commission at a regular meeting within

sixty (60) days following certification of the election results. Voter approval does not compel the City Commission to approve such a request.

4. Pre-existing TIF. Any lawfully approved TIF plan that pre-dates the Charter provisions that are the subject of this policy shall continue to exist according to the terms of such TIF plan. Any proposal to amend, modify, or extend such a pre-existing TIF plan shall be subject to this Implementation Policy and the Charter provisions that are the subject of this policy.
5. If the statutory or other applicable regulations regarding TIF are amended, this policy shall be revisited and updated by the City Commission as necessary.

I certify that this policy was adopted by the City Commission for the City of Traverse City on October 6, 2025, at a regular meeting held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

A handwritten signature in blue ink, appearing to read "Sarah Lutz", is written over a horizontal line.

Sarah Lutz, Interim City Clerk