TRAVERSE CITY DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

INFRASTRUCTURE FIRST DEVELOPMENT AND TAX INCREMENT FINANCING PLAN

2028 - 2047

ADOPTED BY THE DOWNTOWN DEVELOPMENT AUTHORITY BOARD: JUNE 2026
ADOPTED BY THE TRAVERSE CITY CITY COMMISSSION: [MONTH] 2026

SECTION ONE. INTRODUCTION

All Downtown Development Authorities that utilize Tax Increment Financing (TIF) are required by law to create a Development Plan and Tax Increment Financing (TIF) Plan. Together, the two plans describe the potential projects, services and resources needed for implementation. These plans serve as guides to demonstrate to our community the work we want to accomplish within the DDA boundary.

In August 2024, the Traverse City Downtown Development Authority (DDA) Board of Directors approved a Tax Increment Financing and Development Plan called the *Moving Downtown Forward (MDF) TIF & Development Plan.* The approved plan served to amend and extend the previous TIF and Development Plan, commonly referred to as TIF-97. The MDF TIF and Development Plan was the product of extensive public engagement. Over two years, more than 1,300 points of community feedback were gathered through open houses, surveys, stakeholder meetings, pop-up events, and ongoing collaboration with City and DDA officials and staff. The plan was shaped by residents, business owners, property owners, and community partners who care deeply about downtown's future. However, following the DDA Board's approval, implementation of the MDF TIF Plan was effectively placed on hold. In October 2024, ahead of a November ballot initiative concerning public approval of future TIF plans, the City Commission opted not to move the plan through the remaining approval steps, including commission review, a public hearing, and a final vote. That November, Traverse City voters approved two ballot initiatives requiring that the creation, amendment, or extension of any TIF plan be first approved by voters before taking effect.

Over the next two years, community conversations surrounding the TIF tool and its role in Downtown Traverse City continued to evolve. In the winter of 2026, as the City neared completion of its Strategic Action Plan, the DDA began taking more formal steps to reassess the MDF Plan - evaluating how effectively it aligned with emerging service demands, infrastructure needs and priorities, and the City's broader strategic goals. The DDA also worked to re-engage the community in conversations about the future of the MDF Plan, the role of the TIF tool, and how downtown investments can continue to support broader community priorities and long-term economic vitality.

On June 19, 2026, the Downtown Development Authority approved an amended *Infrastructure First Development & TIF Plan,* incorporating new and updated project priorities, a more comprehensive description of the core services and operations funded by TIF, annual dedicated funding for the maintenance of downtown assets and infrastructure, and a new revenue-sharing framework.

A TIF Plan Guided by Principles and Community Goals
The infrastructure projects, service and maintenance priorities described in this Plan were guided by the principles and community goals of both the DDA and City.

DDA Guiding Principles

- Design a Great Place for All Ages and For Future Generations
- Advance Climate Action, Sustainability, Renewable Energy, Energy Efficiency, and Resiliency
- Protect and Preserve Small Local Independent Businesses
- Champion the Development of Attainable and Workforce Housing
- Support Job Growth and Varied Career Opportunities

City Guiding Principles (City Master Plan)

- Steward and Cherish Our Natural Resources and Green Spaces
- Honor Our Community Heritage and create a Welcoming Environment for All People
- Encourage Development and Vibrancy in Our Commercial Districts and Corridors
- Maintain and Connect Our Neighborhoods
- Encourage Quality Housing in Locations of the City with Access to Nonmotorized and Public Transportation
- Create Safe and Enjoyable Transportation and Recreation Options Year-Round

City Strategic Pillars (City Strategic Action Plan)

- Building A Thriving Year-Round Economy
- Proactively Manage Urban Design
- Strengthening Place-Making and Neighborhood Character
- Fostering a Regional Collaborative Approach
- Creating a Complete Community
- Supporting Environmental Sustainability

History of Tax Increment Financing in Traverse City

In 1985, the Downtown Development Authority (DDA) and the City established the *TIF 2 Plan*, in the Old Town area of downtown. The Plan envisioned the redevelopment of the former Ironworks site and its surrounding area as an active, mixed-use retail and residential district. Over the 30-year lifespan of the TIF 2 Plan, that vision for the district became a reality as this part of downtown is home to one of the largest employers in the region, a television station, restaurants, retail stores, offices and residences. Furthermore, the taxable value of the district increased nearly 13 times over the lifespan of the Plan. The TIF 2 Plan expired in 2015 but was re-established in 2016 for 25 years as the *Old Town TIF Plan*.

In 1997, noting a lack of private investment and active public spaces, empty storefronts, crumbling infrastructure and underutilized properties, the DDA and City established the *TIF-97 Plan* for the historical center of downtown. Over the course of the last almost 30 years, the DDA and City have utilized TIF-97 to fund numerous critical and transformative public infrastructure projects as well as day-to-day services, operational and maintenance needs, contributing to the overwhelming success of Downtown Traverse City

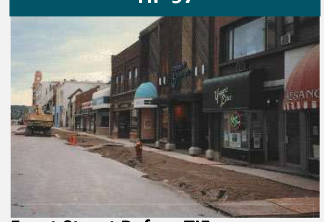
Today, Downtown Traverse City serves as the economic and cultural hub of Northern Michigan. Our tree lined and pedestrian-friendly streets, engaging storefronts, unique and locally owned shops and restaurants, signature celebrations and position on Lake Michigan have helped to routinely place Traverse City on several enviable "top ten" lists every year as well as attract new residents, investment and businesses throughout downtown and the entire city.

TIF-2 & Old Town TIF

Ironworks Site Before TIF

Ironworks Site After Utilizing TIF

TIF-97

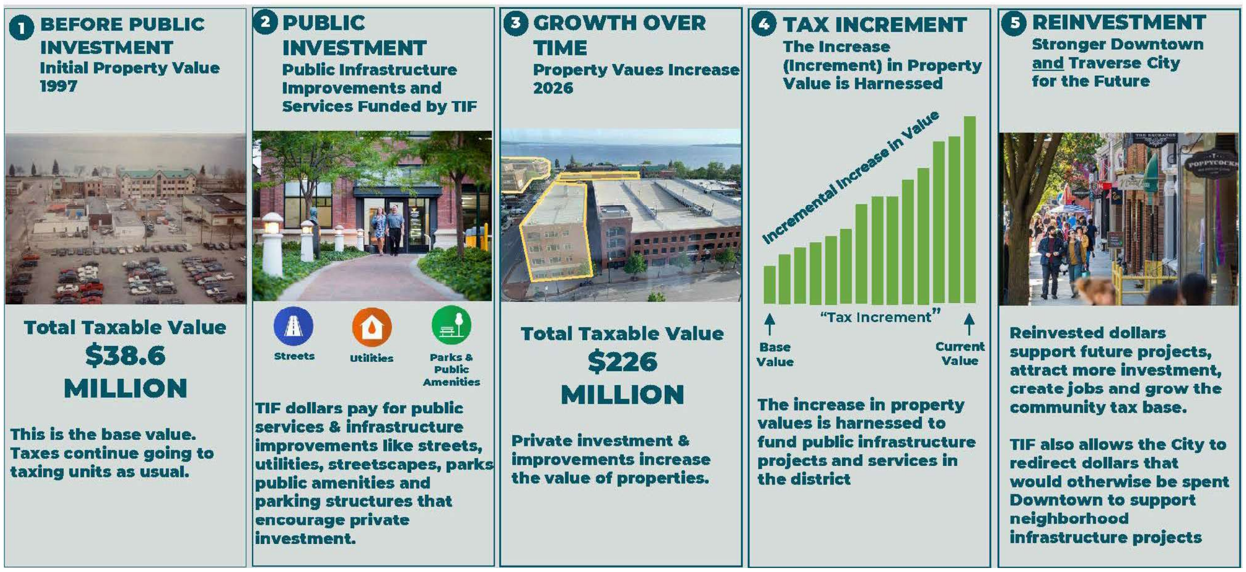


Front Street Before TIF

Front Street After Utilizing TIF

How TIF Works

Tax Increment Financing (TIF) harnesses property tax revenue generated from the incremental increase in property values within the downtown district over time. These captured tax revenues are then reinvested into public infrastructure improvements, maintenance, and services that support the continued economic growth and vitality of downtown. The graphic below explains how TIF works, using the growth in taxable value within the TIF-97 development district from 1997 through 2026.



SECTION TWO. DEVELOPMENT PLAN

The legal basis of the plan

The Development Plan and Tax Increment Financing Plan are prepared pursuant to the requirements of Section 217 of Michigan's "Recodified Tax Increment Financing Act" (Public Act 57 of 2018, MCL 125.4201 *et seq*.). This Development Plan is organized pursuant to the requirements applicable to all such plans under Section 217 (MCL 125.4217), such that each section below provides the required information that corresponds to each of the lettered paragraphs of subsection 217(2), subparagraphs (a) – (p) of the statute.

A. BOUNDARIES

The designation of boundaries of the development area in relation to highways, streets, streams or otherwise. *MCL 125.4217(2)(a).*

The development area is located within the jurisdiction of the City of Traverse City and carries over the same boundaries used in the previous Development Plan known as "TIF-97" (Map One). The boundaries of the area that are covered by the Development Plan encompass approximately .22 square-miles (140 acres) of property in downtown Traverse City and includes a diverse mix of public and private land uses, streets and public facilities. In general, the development area is bounded by the back lot lines of properties along the East Front Street alley and Railroad Avenue, Grand Traverse Bay, (including Clinch Park), the back lot lines of properties along Gillis Street, the Boardman/Ottaway River, the front lot lines of properties along Cass and the back lot lines of properties along the Washington Street alley and Washington Street and properties along the front lot lines along Boardman Avenue.

B. EXISTING LAND USES

The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, commercial, industrial, educational and other uses, and shall Include a legal description of the development Area. MCL *125.4217(2)(b).*

The development area is just over 140 acres in size and includes a mix of commercial, institutional and residential uses. The entire district is served by municipal sewer and water and electricity and fiber from Traverse City Light and Power. The location and extent of existing street segments in the development area are illustrated on Map Two, and include:

Street Segment	From	To
Front Street	North Peak Brewery	Grandview Parkway
State Street	Pine Street	Boardman Avenue
Washington Street	Park Place (west end)	Park Place (east end)
Garland Street	Hall Street	Union Street
Grandview Parkway	Oak Street	Front Street
Marina Drive	Grandview Parkway	Clinch Park
Hall Street	Grandview Parkway	Front Street
Pine Street	Front Street	State Street
Union Street	Grandview Parkway	Boardman River
Cass Street	Grandview Parkway	Boardman River
Park Street	Grandview Parkway	State Street
Boardman Avenue	Front Street	State Street

The location and extent of other public facilities within the development area are also illustrated on Map Two. The location, character and extent of public and private land uses existing in the development area is listed below and are illustrated on Map Three. The location, character and extent of public land uses proposed to be private land uses in the future for the development area are illustrated on Map Four. The land in the development area is zoned for both commercial and residential uses. Map One, noted above, illustrates the boundaries of the development area, which is wholly contained in the Downtown Development Authority District as shown on the map.

Existing Public and Private Land Uses Within the Development Area

Public Land Uses

The City Opera House, U.S. Post Office and Rotary Square are located within the Development Area. The Hardy Parking Structure and several public surface parking lots are also located within the Development Area.

Private Land Uses

Residential – There is a significant number of residential properties located within the Development Area. Most residential properties located in the Development Area are in "mixed-use" buildings, with commercial businesses located on the ground floor and residential units located on the upper floors. One fully residential property is located on Boardman Avenue.

Commercial – Commercial property is located throughout the Development Area. Many commercial properties located in the Development Area are in "mixed-use" buildings, with commercial businesses on the ground floor and residential units of the upper floors.

Industrial – There are no current and operable industrial properties in the Development Area.

Recreational Uses
There are several parks and open spaces located within the Development Area. Clinch Park and Marina and the Open Space define the waterfront along Lake Michigan. Mini Park is located on East Front Street and is home to the Guardian sculpture in honor of Traverse City's designation as a Coast Guard City. The Union Street Dam Area provides opportunities for fishing. The J-Smith Walkway provides seating and a pedestrian connection from Parking Lot A to Front Street. Wellington Plaza is located at the terminus of Wellington Street on the Boardman River.

Educational Uses
The Children's House Private Montessori Middle School is located on the second floor of 101 N. Park.

Vacant Land
There are several parcels in the Development Area that may be classified as vacant or underutilized including, but not limited to, one parcel along Garland Street, 124 West Front Street, 153 Pine Street and several parcels along West State Street. The redevelopment of these vacant parcels and others is expected to begin within the next two years.

Legal Description of the Development Area
The Downtown Development Authority shall exercise its powers and duties within the downtown development district, City of Traverse City, County of Grand Traverse, State of Michigan, specifically described as follows:

Beginning at a point on the Bay Shore that coincides with the northerly extension of the centerline of Oak Street; thence southerly along such centerline extension to its intersection with the centerline of the C & O Railroad tracks; thence southeasterly approximately 500 feet along the C & O Railroad tracks to the centerline of 2nd Street; thence southerly from 2nd Street approximately 1,050 feet along the centerline of the C & O Railroad tracks to the centerline of the alley between Front and 5th Streets; thence commencing at the northwest corner of Lot 8 of the Hannah, Lay and Company First Addition as recorded by the County Register of Deeds, Liber 3 of Plats on Page 25; thence southeasterly along the northeast boundary of Lot 8 to the northeast corner of Lot 8; thence southerly along the east line of such plat to the south right of way of Sixth Street (66 feet wide); thence easterly along the south right of way of Sixth Street to the west right of way of Locust Street (53 feet wide); thence southerly along the west right-of-way line of Locust Street to the south right-of-way line of Ninth Street (66 feet wide); thence easterly along the south right of way of Ninth Street to the east right-of-way line of the north-south alley (33 feet wide) east of Union Street, Block 6, as found in Hannah, Lay and Company's First Addition, recorded in Book One, Page 10; thence northerly along the east right of way of such alley to the south right-of-way line of 8th Street (66 feet wide); thence easterly along the south right of way of 8th Street to the thread of the Boardman River; thence northwesterly along the thread of the Boardman River to the centerline of Cass Street; thence northerly along the centerline of Cass Street to the centerline of the alley between State and Washington Streets; thence easterly approximately 300 feet to the east lot line of Lot 14, Block 7, of the original Plat of Traverse City; thence southerly approximately 213.5 feet to the centerline of Washington Street; thence easterly approximately 555 feet along the centerline of Washington Street to a point approximately 27 feet east of the west lot line of Lot 14, Block 21, original Plat of Traverse City; thence northerly approximately 213.5 feet to the centerline of the alley between State and Washington Streets; thence easterly to the centerline of Boardman Avenue; thence northerly along the centerline of Boardman Avenue to the centerline of the alley between Front and State Streets; thence easterly to the centerline of Railroad Avenue; thence northwesterly to the intersection of the centerlines of East Front Street and Railroad Avenue; thence easterly to the intersection of the centerlines of East Front Street and Grandview Parkway; thence northwesterly to the centerline of the Boardman River; thence northerly to Grand Traverse Bay and also including Lot 3 of Hannah, Lay and Company's 16th Addition, Liber 3 of Plat, Pages 6 and 7.

Except that parcel of land as described in a warranty deed to the Traverse City Housing Commission, dated March 15, 1973 and as recorded in Liber 342, Page 274 of the Office of the Register of Deeds of the County of Grand Traverse.

C. PRIVATE IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED

A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion. ***MCL 125.4217 (2)(c).***

The private improvements in the development area, which include demolition, repair, and/or alteration are illustrated on Map Five. A table of the private investment, including the time required for completion, is listed below.

Project Address	Property ID	Improvements	Project Value	Estimated Completion	Rationale for Inclusion for Private Investment
400 W Front St	28-51-752-001-01	New Infill Development	$20,400,000	2035	Surface lot to be developed into additional housing/commercial opportunities
145 Hall St	28-51-658-029-01 28-51-658-028-21	New Infill Development	$30,600,000	2028	Property owner has identified new development opportunity
211 W Grandview Pkwy	28-51-658-036-01	New Hotel Development	$45,900,000	2028	New Hotel Development (Marriott)
207 W. Grandview Pkwy	28-51-658-038-00	New Condominium Development	$40,800,000	2029	Property owner has identified new condominium development
124 W Front St	28-51-706-004-00 28-51-706-005-10 28-51-706-006-00	New Hotel Development	$30,600,000	2026	Property owner has identified hotel development
302 W. Front St.	28-51-706-009-00	New Mixed-Use Development	$15,300,000	2028	Property owner has identified a mixed-use redevelopment
123 W Front St	28-51-794-002-00	Redevelopment	$20,000,000	2031	Opportunity for repurposing building
116 W. Front	28-51-706-003-01	Redevelopment	$15,300,000	2036	Parcel is currently for sale
119 W. Front St.	28-51-794-004-00	Redevelopment	$10,200,000	2036	Parcel is currently for sale

Project Address	Property ID	Improvements	Project Value	Estimated Completion	Rationale for Inclusion for Private Investment
115 Pine St. 136 W. State St. 130 W. State St. 126 W. State St. 122 W. State St. 120 W. State St.	28-51-794-021-00, 28-51-794-018-00 28-51-794-017-01 28-51-794-013-02 28-51-794-014-01 28-51-794-012-00	New Mixed-Use Development	$32,600,000	2026	Publicly owned, currently reviewing RFP submissions for Public/Private Partnership
102 W Front St	28-51-706-001-00	Infill Development	$10,200,000	2042	Opportunity previously discussed for parking lot designed for infill commercial/residential
142 E State St	28-51-794-026-00	Infill Development/Repurposing Parking Lot	$15,300,000	2046	Building and surface lot adjacent to Rotary Square has tremendous opportunity for new vibrant development
159 E State St	28-51-794-056-00	Infill Housing Development	$61,200,000	2030	Previously pursued by HomeStretch to develop into affordable housing - City exploring other options
135 - 145 E Front St	28-51-694-007-00 28-51-694-006-00 28-51-694-005-00 28-51-694-004-00	Infill Development, repurposing	$15,300,000	2032	Four properties with opportunity behind current buildings for new infill development to take advantage of Lower Boardman/Ottaway design
221 E State St	28-51-794-082-00	New Development / Demolition	$8,160,000	2035	Single story building, with opportunity for repurposing/reinvesting for mixed-use development
216 E State St	28-51-794-086-00	New Infill Development	$15,300,000	2045	Surface lot between two commercial buildings with opportunity for better density to service State Street
213 E. State St.	28-51-794-081-00	New Infill Development	$20,000,000	2045	Surface and old bank building with opportunity for better density to service State Street
300 E State St	28-51-794-090-00	New Infill Development	$30,600,000	2035	Adjacent to Park Place and was positioned to be redeveloped into mixed use and stacked parking
241 E State St	28-51-794-080-00	New Development/Repurposing	$10,200,000	2040	Single story building with massive surface lot, there is opportunity for better land use

Project Address	Property ID	Improvements	Project Value	Estimated Completion	Rationale for Inclusion for Private Investment
250 E Front St	28-51-794-077-30	Repurposing and infill Development	$4,080,000	2032	Building has opportunity for repurposing for office, housing, retail with additional space on Front Street and behind building
346 E. Front St.	28-51-794-127-00 28-51-794-129-00	Infill, Repurposing, Demolition	$5,100,000	2035	Single story corner lot on Front Street/opportunity for multi-story/multi-use
116 Boardman Ave	28-51-794-128-00	Demolition, New Commercial Development	$3,060,000	2042	Single story opportunity for multi-story/multi-use
120 Boardman	28-51-794-130-00	Demolition, New Commercial Development	$3,060,000	2042	Single story opportunity for multi-story/multi-use
502 E. Front	28-51-798-142-00	Repurposing/Infill	$5,100,000	2035	Corner lot on Front and Wellington opportunity for mixed-use and infill development on parking lot
522 E. Front	28-51-798-145-00	Repurposing/Infill	$3,060,000	2043	Single story building with surface lot behind, opportunity for new investment within the single story for mixed-use and infill in parking lot
330 E. State	28-51-743-002-17	Repurposing/Infill Development	$30,600,000	2029	Property owner is working to build a multi-story residential building

D. PROPOSED IMPROVEMENTS

The Location, Extent, Character, and Estimated Cost of the Improvements, Including Rehabilitation Contemplated for the Development Area and An Estimate of the Time Required for Completion. *MCL 125.4217(2)(d).*

The Traverse City Downtown Development Authority plans a variety of public infrastructure improvements spanning a wide range of project types, each intended to enhance the functionality, accessibility, resiliency, and vibrancy of downtown Traverse City. These investments address core infrastructure needs, including streets, utilities, public spaces, and non-motorized access, while also supporting the long-term repair, replacement, and maintenance of infrastructure systems necessary to sustain a safe, welcoming, and economically strong downtown district.

Several of these public infrastructure projects are also designed as comprehensive, multi-faceted improvements that incorporate multiple infrastructure elements within a single project, such as stormwater management, tree canopy expansion, streetscape enhancements, lighting, accessibility upgrades, and utility improvements. This integrated approach allows projects to maximize public benefit, improve long-term resiliency, and create a more connected and attractive downtown environment.

The DDA identified these proposed improvements through recent and ongoing planning efforts, several years of community engagement, coordination with City departments and partner organizations, and discussions with the City Commission. The infrastructure projects were then organized into high, medium and low priorities.

The infrastructure investments and priorities described in this document are anticipated to be implemented over a period of approximately one to 20 years. The proposed project schedule and priorities are intended to remain flexible, allowing the DDA to coordinate improvements with other capital needs, city priorities, and partner initiatives as additional planning, engineering, and design work is completed and as funding becomes available.

A description of the proposed infrastructure improvements, including their location, scope, character, and estimated cost is provided below. In addition, each infrastructure improvement has been evaluated against the City's Strategic Pillars to demonstrate alignment and illustrate how these investments support broader community goals and priorities.

City Strategic Action Plan Pillars

- **Building a Thriving Year-Round Economy**
- **Proactively Manage Urban Design**
- **Strengthen Place Making & Neighborhood Character**
- **Fostering a Regional Collaborative Approach**
- **Create a Complete Community**
- **Supporting Environmental Sustainability**

1. Boardman-Ottaway Downtown River Restoration & Infrastructure

This public infrastructure improvement will implement the designated sections, or "reaches," of the river outlined in the *Lower Boardman-Ottaway Unified Plan* and the *Conceptual Design for the 100 and 200 Blocks of the Boardman-Ottaway Riverwalk*, helping to realize the community's long-standing desire to turn toward and engage with the river. Implementation would occur in phases, with each project determined by funding availability, district priorities, and opportunities to address and coordinate with surrounding public infrastructure systems and improvements. Shoreline and fishery habitat improvements outlined in the DDA's current collaboration with the Grand Traverse Band of Ottawa and Chippewa Indians and NOAA will be incorporated. Additionally, both above-ground and below-ground stormwater management infrastructure will be incorporated. A description of the unique infrastructure elements within each reach of the river corridor within the Development Area is listed below. Additional and connecting infrastructure elements in the remaining reaches of the river corridor will be funded by Old Town TIF.

Strategic Action Plan Alignment:

Reach Six (Between Park Street and the Murchie Bridge)
This project would include a new pedestrian bridge connecting the north and south side of the river, a riparian landscape, a new overlook on Front Street, and an enhanced Wellington Street Plaza boardwalk. The project would also include an enhanced boardwalk on the north side of the river and habitat and accessibility improvements at the mouth of the river.

Reach Five – Phase One.

Reach Five (Between Union Street and Park Street)
Phase One. Highest Priority
The conceptual design, schematic design and engineering phases for these infrastructure improvements are completed. This project would include a new pedestrian bridge connecting the future Farmers Market Pavilion with the J. Smith Walkway and Front Street. Other improvements include a more pedestrian-friendly and refurbished J. Smith Walkway, new seating spaces on the bridge abutments and stormwater infrastructure.

Reach Five (100 Block - Between Union Street and Cass Street)
This project would remove some of the parking along the south alley, pull back the existing sheet-piling and add new alley treatments, stormwater infrastructure and terrace steps down to the water's edge between the pedestrian bridge and Cass Street. A "garden terrace" would also be added between the pedestrian bridge and Union Street. The north side of the river would include a new boardwalk and "garden meadow".

Reach Five (200 Block - Between Cass Street and Park Street)
This project would include alley treatments, an elevated boardwalk along the alley and a new pedestrian bridge connecting the north and south side of the river. The north side of the river would also include an enhanced boardwalk and naturalized landscaping.

Reach Four (Between West Front Street Bridge and Union Street)
This project would include a new boardwalk and kayak portage between the existing pedestrian bridge and the existing trail south of the West Front Street Bridge, along the south/east side of the river.

Reach Three (Between the West Front Street Bridge and Pine Street)
This project would include an extension of the existing boardwalk at the Pine Street access point along the river to the West Front Street Bridge. This project could also include portions of a proposed pedestrian bridge connecting Hannah Park and the Pine Street boardwalk/landing.

2. State Street, Pine Street, Boardman Avenue Two-way Traffic Conversion

This project would include the infrastructure improvements necessary to convert these three city streets from one-way to two-way traffic circulation. Future investments would include new/modified traffic signals, signage, pedestrian refuge islands, pavement markings, and other physical improvements to enhance safety and accessibility for all users.

Strategic Plan Alignment:

3. Front Street South Alley Improvements and Utility Relocation

This infrastructure improvement would include the reconstruction of the south Front Street alley between Park Street and Pine Street. Improvements will feature a decorative alley surface treatment, lighting, signage, pedestrian walkways, landscaping, trash receptacles, and upgraded stormwater infrastructure. The project would also include the burial of utility lines located within the alley in collaboration with TCLP.

Strategic Plan Alignment:

4. West Bay Lakeshore Stabilization

In partnership with the City, the DDA would contribute funding to incorporate natural flood control methods, resilient landscaping, and designed public access along West Grand Traverse Bay.

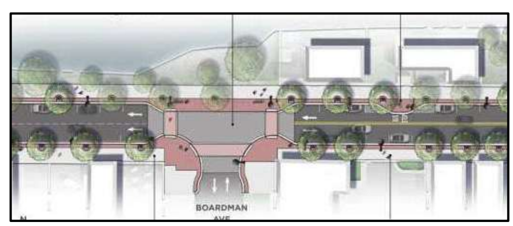
Strategic Plan Alignment:

5. State Street Mid-Block Pedestrian Crosswalks

This infrastructure improvement would include the installation of five (5) mid-block crosswalks on State Street, designed to mimic the pedestrian crosswalks on Front Street. The locations include one crosswalk between Park Street and Boardman Avenue, two crosswalks between Park Street and Cass Street, and two crosswalks between Union Street and Cass Street.

Strategic Plan Alignment:

6. East Front Street Reconstruction, Streetscaping and Gateway



East Front Street is the last remaining downtown street without streetscaping. This project would include a full reconstruction of East Front Street from Grandview Parkway to Park Street. Using the DDA's 2021 Streetscape Design as a starting point, improvements will include new underground utilities, wider sidewalks, mid-block pedestrian crosswalks, new light fixtures, trees, signage, enhanced connections to nearby trail/boardwalk amenities, and more accessible entryways into adjacent businesses. The project will also include a "gateway" feature(s) near the Front Street/Grandview Parkway intersection.

Strategic Plan Alignment:

7. Front Street Reconstruction and Streetscaping
This infrastructure improvement will include the reconstruction of Front Street between Park Street and Pine Street to accommodate all users. Streetscape improvements will feature decorative sidewalks, mid-block pedestrian crosswalks with curb bump-outs, lighting, signals, signage, street trees, and accessibility enhancements.
Strategic Plan Alignment:

8. Bayfront Trail
This infrastructure improvement will include construction of the next segment of the expanded TART Bayfront Trail, extending from Clinch Park to Division Street. The DDA will contribute funding specifically for the portion of the trail between Clinch Park and Oak Street.
Strategic Plan Alignment:

9. State and Pine Street Reconstruction and Streetscaping
This infrastructure improvement will include the reconstruction of State Street and Pine Street between Boardman Avenue and Front Street to accommodate all users. Streetscape improvements will feature decorative sidewalks, mid-block pedestrian crosswalks with curb bump-outs, lighting, signals, signage, street trees, and accessibility enhancements.
Strategic Plan Alignment:

10. Garland Street Green Infrastructure
This infrastructure improvement will add tree canopy, landscaping, and other green infrastructure elements to reduce the dominance of hardscape and create a greener, more comfortable and inviting streetscape.
Strategic Plan Alignment:

11. District-Wide Snowmelt System
This infrastructure improvement will include a phased approach to implement a district-wide snowmelt system, beginning with a feasibility study and progressing through conceptual design, schematic design, design development, construction, and operation.
Strategic Plan Alignment:

The ranked priority (high, medium, low) and cost estimates for each infrastructure improvement are provided in the following table. Cost estimates are preliminary and presented in 2026 dollars. Actual project costs may increase or decrease based on future study, design development, engineering, market conditions, and final project scope. The location for each infrastructure improvement is illustrated on Map Six.

Project #	Priority	Capital Infrastructure Projects - Name and Description	Total Estimated Cost
1	**High**	**Boardman/Ottaway River Restoration and Infrastructure** A. *Reach Five - Phase One* (J. Smith Walkway, alley and embankment improvements, stormwater infrastructure and new pedestrian bridge) B. *Reach Six. (Between Park Street and Murchie Bridge)* New pedestrian bridge, riparian landscape improvements, enhanced Wellington Street Plaza/Boardwalk, and accessibility and habitat improvements at the mouth of the river C. *Remaining Components of Reach Five. (The 100 Block)* Pulling back sheet piling, new alley treatments, stormwater infrastructure and terrace steps to the river's edge - boardwalk and landscaping enhancements on the northside D. *Remaining Components of Reach Five. (The 200 Block)* Alley treatments, elevated boardwalk and pedestrian bridge replacement - enhanced boardwalk and restorative landscaping E. *Reach Four. (Between West Front and Union)* New boardwalk and kayak portage between pedestrian bridge and West Front bridge F. *Reach Three. (Between West Front and Pine)* Extended boardwalk at Pine Street access point to West Front Street Bridge, new pedestrian bridge connecting Hannah Park and Pine Street landing	$5,800,000 $4,200,000 $24,720,000 $18,120,000 $2,900,000 $3,300,000
2	**High**	**State Street, Pine Street Two-Way Traffic Conversion** (Signage, traffic signals, and other physical improvements)	$1,000,000
3	**High**	**Front Street Alley & Utility Improvements and Relocation** (Bury utility lines, alley replacement/improvements and green infrastructure)	$13,000,000
4	**High**	**West Bay Lakeshore Stabilization** (Installation of natural flood controls, resilient landscaping and designed public access along Grand Traverse Bay)	$1,000,000
5	**Medium**	**State Street Mid-Block Pedestrian Crosswalks** (Installation of five mid-block crosswalks on State Street)	$1,500,000
6	**Medium**	**East Front Street Reconstruction, Streetscaping and Gateway** (East Front Street between Grandview and Park Street, with gateway feature)	$7,000,000
7	**Medium**	**Front Street Reconstruction and Streetscaping** (Front Street between Park Street and Pine Street, including mobility amenities)	$7,000,000
8	**Medium**	**Bayfront Trail** (Improvements to the Bayfront Trail between Clinch Park and Oak Street)	$1,000,000
9	**Low**	**State Street Reconstruction and Streetscaping** (State Street between Boardman and Pine Street, including mobility amenities)	$8,000,000

10	**Low**	**Garland Street Green Infrastructure** (Adding trees, landscaping and green infrastructure on Garland Street)	$900,000
11	**Low**	**District-Wide Snowmelt System** (Feasibility study, infrastructure, future collaboration)	$15,000,000
		Total	**$114,440,000**

Annual Contribution to City-Led Public Infrastructure Repairs and Maintenance and Stormwater Infrastructure

In addition to the large-scale infrastructure investments listed above, this plan includes a commitment to contribute 2% of the DDA's tax increment revenue to city-led infrastructure repairs and maintenance and 2% of the DDA's tax increment revenue to city-led stormwater infrastructure investments annually over the 20-year duration of the Plan. The DDA identified these infrastructure priorities through recent and ongoing community engagement, coordination with City departments, and discussions with the City Commission. Based on the estimated tax revenue projections and the 70%/30% Revenue Sharing Model described in the Tax Increment Financing Plan, the total contribution toward city-led infrastructure repairs and maintenance and city-led stormwater infrastructure for year one of the TIF Plan and over the 20-year duration of the Plan is summarized below.

Strategic Action Plan Alignment:

Annual Contribution to City Infrastructure Repairs and Maintenance and Stormwater Infrastructure	Estimated Investment Year One	Estimated Investment Over 20 Years
2% contribution to city-led infrastructure repairs and maintenance	**$72,578**	**$1,783,020.50**
2% contribution to city-led stormwater infrastructure	**$72,578**	**$1,783,020.50**
Total	**$145,156**	**$3,566,041**

This table represents the estimated investment to city-led infrastructure repairs and maintenance and stormwater infrastructure for year one of the Plan and over the course of the Plan, based on the estimated tax revenue projections and the revenue sharing model. Actual investments will vary from year to year based on the actual tax revenue. That is, the actual investment over the course of the Plan may increase if the actual tax revenue is higher than the estimated tax revenue projections listed in this plan.

Annual Contribution to DDA-Led Public Infrastructure Repairs and Maintenance, the Farmers Market and Rotary Square

This plan also includes a commitment to fund DDA-led public infrastructure repairs and maintenance over the 20-year duration of the Plan. Specifically, this commitment will include repairs and maintenance of small-scale public infrastructure unique to downtown, such as public seating, sidewalk repairs, non-motorized amenities, pedestrian lighting and repairs to other public spaces. In many instances, this contribution will enhance and contribute to city-led infrastructure repairs and maintenance.

In addition, this Plan includes a commitment to annually fund the ongoing repair, maintenance, and enhancement of the Farmers Market space, including the Pavilion, and Rotary Square over the 20-year duration of the Plan. The current contribution (2026) toward DDA-led infrastructure repairs and maintenance, as well as the anticipated annual contribution toward the repair, maintenance, and enhancement of the Farmers Market and Rotary Square, is summarized below.

These projections incorporate a conservative annual cost inflation factor of 2% over the 20-year duration of the Plan. The estimated contributions are based on current and anticipated costs; however, future funding levels may be adjusted as needed to respond to changing infrastructure conditions, operational requirements, community priorities, and refined cost estimates.

Annual Contribution to DDA-Led Public Infrastructure Repairs and Maintenance, the Farmers Market and Rotary Square	Current Costs	Total Estimated Investment
Contribution to repairs, maintenance and enhancements to DDA led public infrastructure	$120,000	$2,915,684
Contribution to repairs, maintenance and enhancements to the Farmers Market space and pavilion	$15,000	$364,461
Contribution to repairs, maintenance and enhancements to Rotary Square	$50,000	$1,214,868
Total	**$185,000**	**$4,495,013**

Annual Contribution to Core Programs and Services

This Plan also includes a commitment to fund the core programs and services that support the day-to-day maintenance, operations, and overall experience of downtown. These services and programs help ensure downtown remains clean, safe, accessible, welcoming, and economically competitive for residents, businesses, workers, and visitors alike. Funded services and programs include, but are not limited to, trash and recycling removal, the downtown police officer position, administration and operations of the Sara Hardy Farmers Market, holiday lighting and seasonal beautification, landscaping, power-washing, weeding, the public restroom program, downtown wayfinding signage, and promotions and marketing.

In addition, the Plan includes a continued payment to the City of Traverse City for city departmental services provided within the downtown district as well as the downtown police officer position. This payment is formalized under a *Service Agreement* between the DDA and City. Together, these services contribute to the functionality, appearance, safety, and economic vitality of downtown. Based on the current Service Agreement payment ($520,000), it is projected the total amount paid to the City over the 20-year duration of the Plan is $10,400,000. Funding levels under future Service Agreements may be adjusted as needed to respond to changing infrastructure conditions, operational requirements, city staffing, community priorities, and refined costs.

The current contribution (2026) to core programs and services is summarized below. These contributions reflect current and anticipated costs; future funding levels may be adjusted over time in response to evolving needs, infrastructure conditions, operational demands, and improved cost estimates.

Annual Contribution to Core Programs and Services	Total Estimated Cost
Clean and Green Services Watering, weeding, landscaping, graffiti removal, power-washing, equipment, maintenance of J. Smith Walkway	$132,000
Public Restroom Program Stipend and future public restroom contribution	$9,000
Wayfinding Signage Program Replacing and adding wayfinding signs throughout the downtown district	$22,000
Annual Holiday Lights Tree wraps and other holiday or seasonal decorations	$100,000
Annual Sara Hardy Farmers Market Administration	$35,000
Annual City Service Agreement Includes the Downtown Community Police Officer and other city services (e.g., Treasury, Streets, Public Works, etc.) in the downtown district	$520,000
Annual Trash and Recycling Removal	$60,100
Annual Marketing and Promotions	$90,000
Downtown Composting Initiative	$10,500
Total	**$978,600**

E. TIME OF COMPLETION

A statement of the construction or stages of construction planned, and the estimated time of completion. *MCL 125.4217(2)(e).*
To ensure consistency with all other City capital projects, the DDA will utilize the City CIP process to finalize the stages of planning, design, engineering and construction and the estimated time of the completion of each stage.

F. OPEN SPACE

A description of any parts of the development area to be left open space and the use contemplated for the space. *MCL 125.4217(2)(f).*
In reference to the public improvements outlined above, open space within the Development Area will be confined to rights-of-way, plazas and parks within the development area. Existing park property in the DDA District and Development Area, including Rotary Square, will remain as open space. Map Four, as previously noted, depicts the areas to be left as open space.

G. PROPERTY DISPOSITION

A description of any portions of the development area which the authority desires to sell, donate, exchange or lease to or from the municipality and the proposed terms. *MCL 125.4217(2)(g).*
There is one parcel under DDA ownership. The DDA has no plans to sell, donate, exchange or lease this parcel as part of this Development Plan. However, the DDA does have the statutory ability to acquire property (buildings and vacant land) if it deems necessary to advance the redevelopment and revitalization of downtown.

H. ZONING OR STREET CHANGES

A description of desired zoning changes and changes in streets, street levels, intersections and utilities. *MCL 125.4217(2)(h).*
The Development Plan proposes no zoning changes within the Development Area. The current zoning districts of C-4a, C-4b, C-4c and D-3 accommodates existing and future land uses in the Development Area. Upon approval of the City Commission, the DDA is positioned to make two-way traffic circulation on State Street, Pine Street and Boardman Avenue permanent. This commitment is reflected in the list of infrastructure improvements. Additional investment in stormwater, basic maintenance and utilities is also previously referenced in this plan.

I. COST ESTIMATE

An estimate of the cost of the development, proposed method of financing and ability of the authority to arrange the financing. *MCL 125.4217(2)(i).*
Financing for public improvement projects outlined previously would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations within the Development Area as described above. The amount of funding will be predicated on the stability of the taxable valuation base of the downtown development area and the extent of new future redevelopment and rehabilitation projects. Other sources of funding may include the issuance of bonds by the DDA or City and other sources approved by the City in accordance with the Public Act 57 of 2018.

J. BENEFICIARIES OF PROPERTY CONVEYANCE

Designation of person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority. *MCL 125.4217(2)(j).*
The public improvements undertaken pursuant to the Development Plan will remain in public ownership for the public benefit.

K. CONVEYANCE PROCEDURES

The procedures for bidding, for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no expressed or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be Leased, sold, or conveyed to those persons. *MCL 125.4217(2)(k).*
All such procedures will follow both City bidding policies and state law, and there are no commitments made at present time.

L. POPULATION

Estimates of number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale proves, an

estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals. *MCL 125.4217(2)(l).*
Based on a 2022 Market Assessment for downtown, it is estimated that there are 315 individuals who reside within the Development Area. Furthermore, the Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA District and Development Area.

M. Relocation Plan

A plan for establishing priority for the relocation of persons displaced by the development in and new housing in the development area. *MCL 125.4217(2)(m).*
The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

N. COST OF RELOCATION

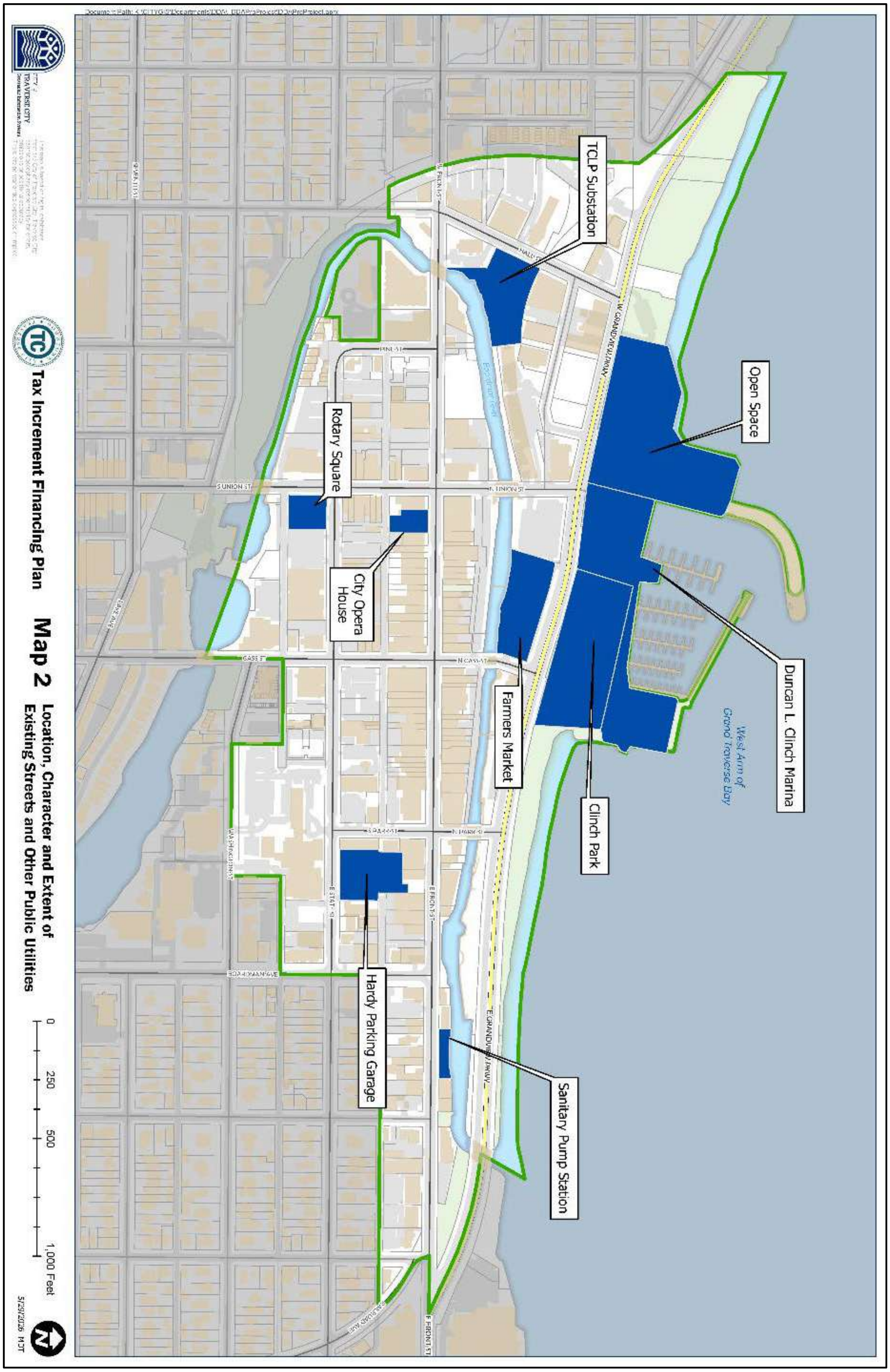
Provision for the Costs of Relocating Persons Displaced by the Development, and Financial Assistance and Reimbursement of Expenses, including Litigation expenses and expenses incident to the Transfer of Title in accordance with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, 42 USC 4601. *MCL 125.4217(2)(n).*
The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq*.) is not addressed.

O. COMPLIANCE

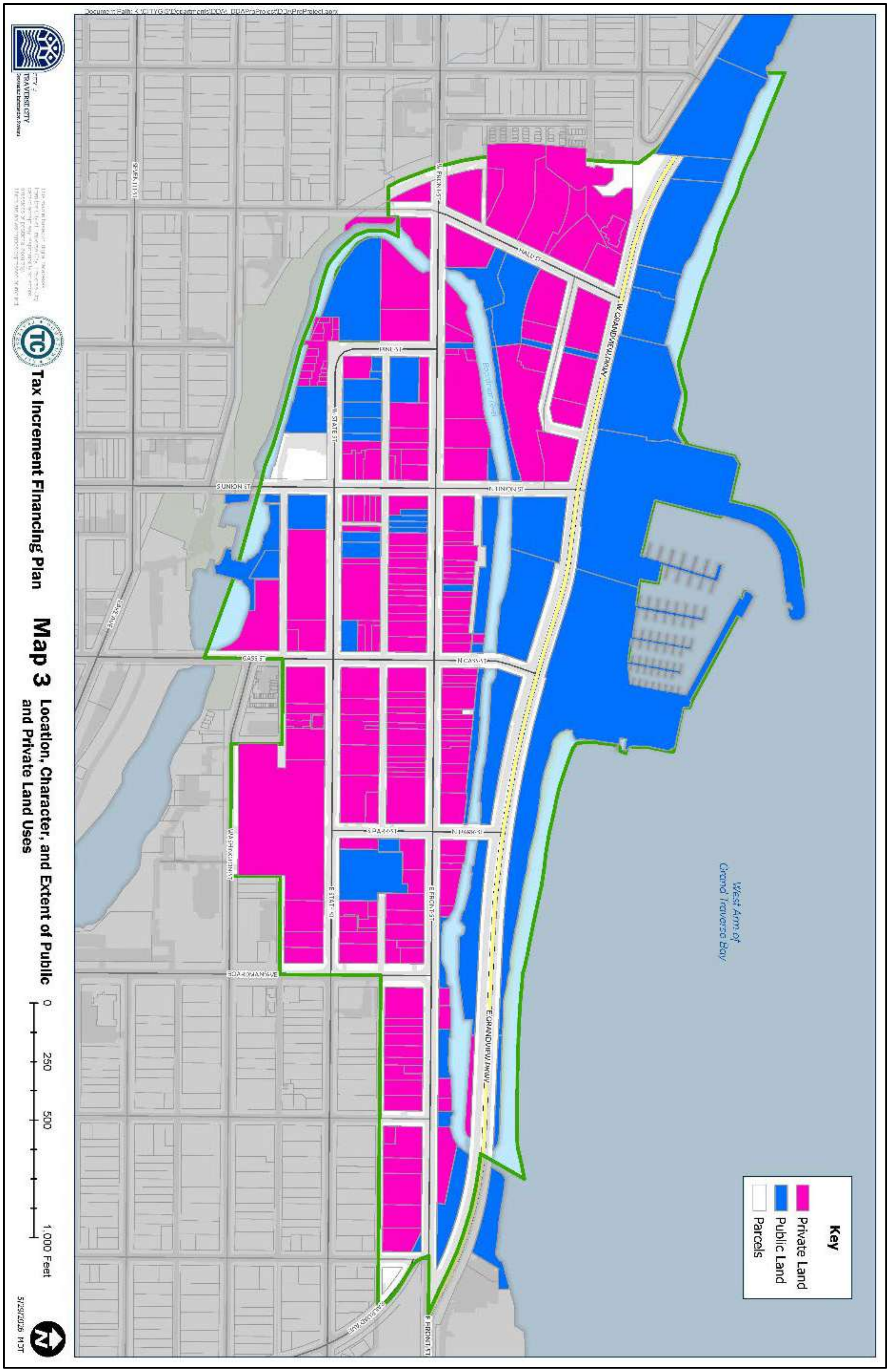
A plan for compliance with Act 227 of the Public Acts of 1972, MCL 213.321 to 213.332. *MCL 125.4217(2)(0).*
Michigan Public Act 227 of 1972 (“Relocation Assistance”) is an Act to provide financial assistance, advisory services, and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property. This Act imposes certain procedural and policy requirements comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*). However, because this Development Plan does not require the acquisition of property nor the displacement of persons within the Development Area, a plan for compliance with Act 227 is not addressed.

MAP ONE.
THE DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS AND OTHERWISE.

MAP TWO. LOCATION, CHARACTER, AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC UTILITIES

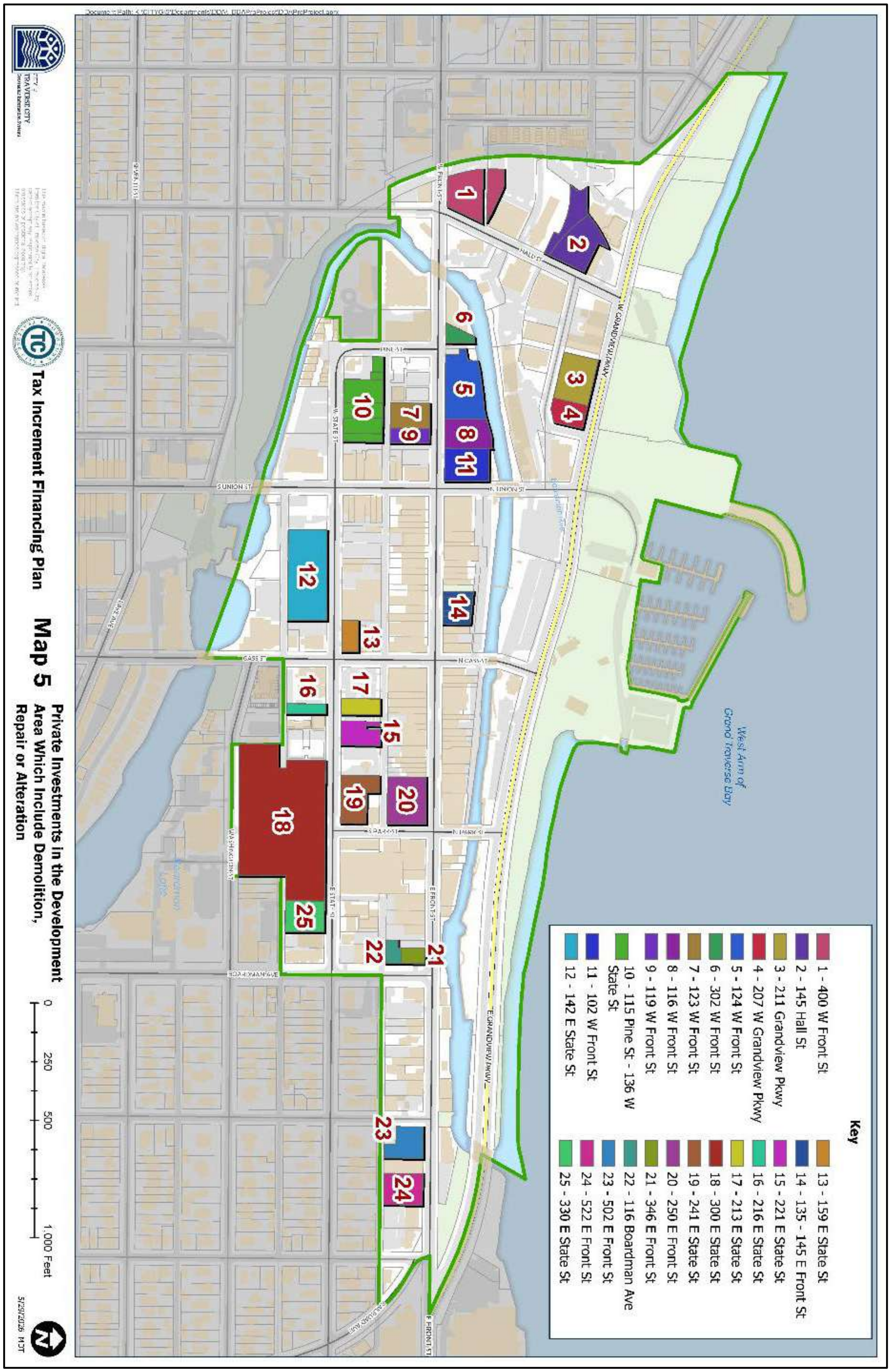


MAP THREE. LOCATION, CHARACTER AND EXTENT OF PUBLIC AND PRIVATE LAND USES

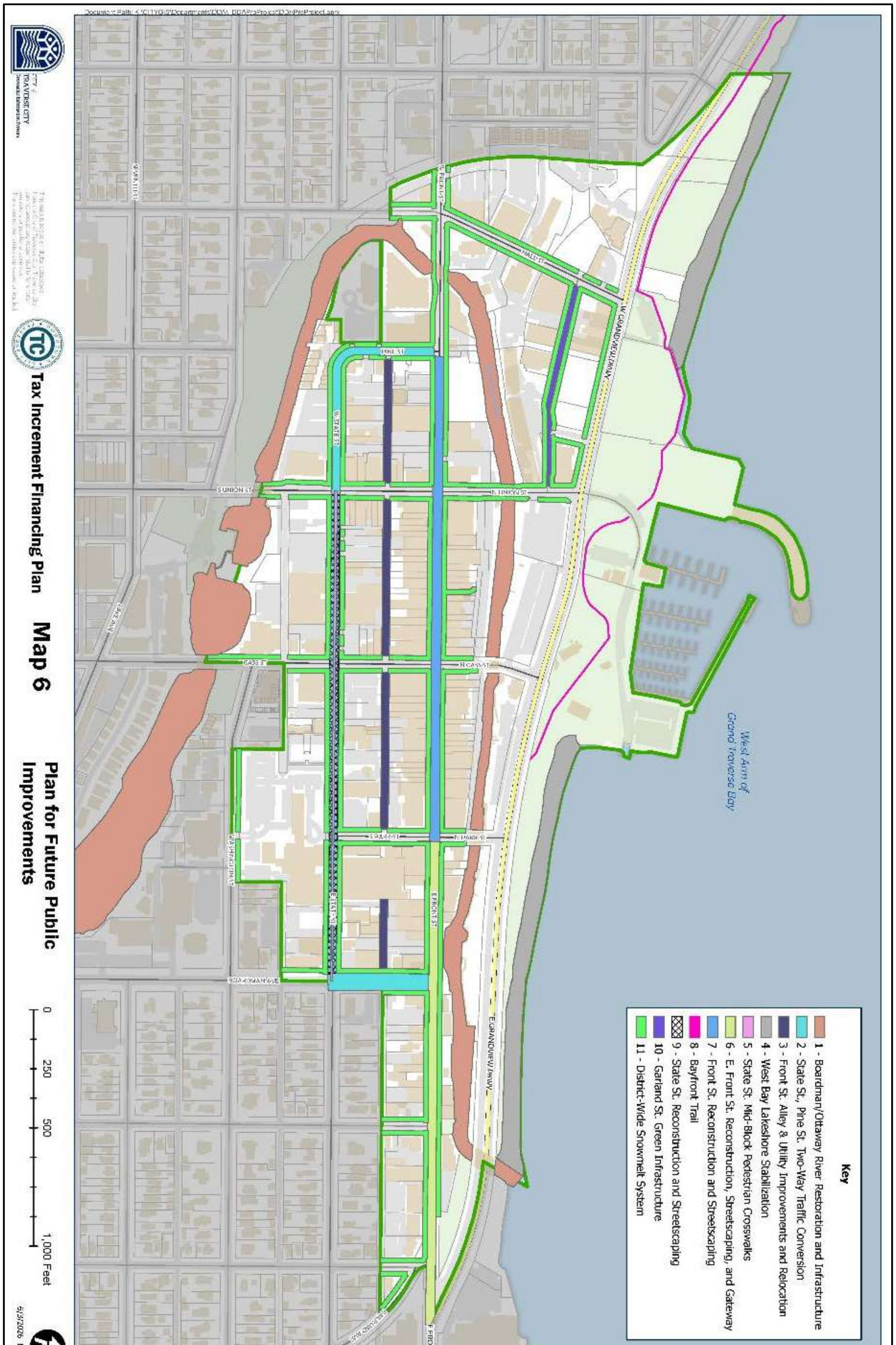


MAP FOUR. LOCATION, CHARACTER, AND EXTENT OF PUBLIC LAND USE PROPOSED TO BE PRIVATE LAND USES IN THE FUTURE

MAP FIVE. PRIVATE INVESTMENTS IN THE DEVELOPMENT AREA WHICH INCLUDE DEMOLITION, REPAIR OR ALTERATION



MAP SIX. PLAN FOR FUTURE PUBLIC IMPROVEMENTS



SECTION THREE. TAX INCREMENT FINANCING PLAN

This Development Plan is an amendment to and extension of the 1997 Development Plan to allow the continued use of tax increment financing (TIF) within the Development Area to pay the costs of carrying out and completing the programs, services, and projects contained in this Plan. This amendment extends the duration of the TIF capture within the Development Area depicted in Map One through 2047.

Tax increment financing is a governmental financing tool that supports economic growth by utilizing a portion of the increase in property tax revenues in the Development Area to provide public improvements and other eligible programs and services that promote further investment and community development. The Traverse City Downtown Development Authority capture of tax increment revenues is authorized and regulated under the Recodified Tax Increment Financing Act (Public Act 57 of 2018; MCL 125.4201 *et seq.*).

This amendment actually limits the DDA's tax increment capture through a revenue-sharing model that reserves a portion of the captured tax increment revenues to be allocated for and paid back to other local taxing jurisdictions. This approach allows those local taxing entities, including the City of Traverse City, Grand Traverse County, Bay Area Transportation Authority, Northwestern Michigan College, and others, to share in the revenue growth resulting from the DDA's investments and revitalization efforts.

To provide spending and financial transparency, the DDA submits audited financial statements on an annual basis to the City that include detailed information on the tax increment capture and other financial matters. The DDA also participates in the City's Capital Improvement Plan process and submits its annual operating budget to the City Commission for review and approval prior to adoption by the DDA Board. In addition, the DDA complies with all of the requirements imposed by the State of Michigan under Part 9 ("Reporting Requirements") of the Recodified Tax Increment Financing Act (Public Act 57 of 2018; see MCL 125.4901 *et seq.*).

A. TAX INCREMENT FINANCING PROCEDURES

Section 214, subsection (1) of Public Act 57 (MCL 125.4214(1)) requires that all Tax Increment Financing Plans must include a "detailed explanation of the tax increment procedure." As stated in the introduction to this section, TIF is a governmental financing tool that contributes to economic growth by dedicating a portion of property taxes from private investment to public improvements and other eligible efforts.

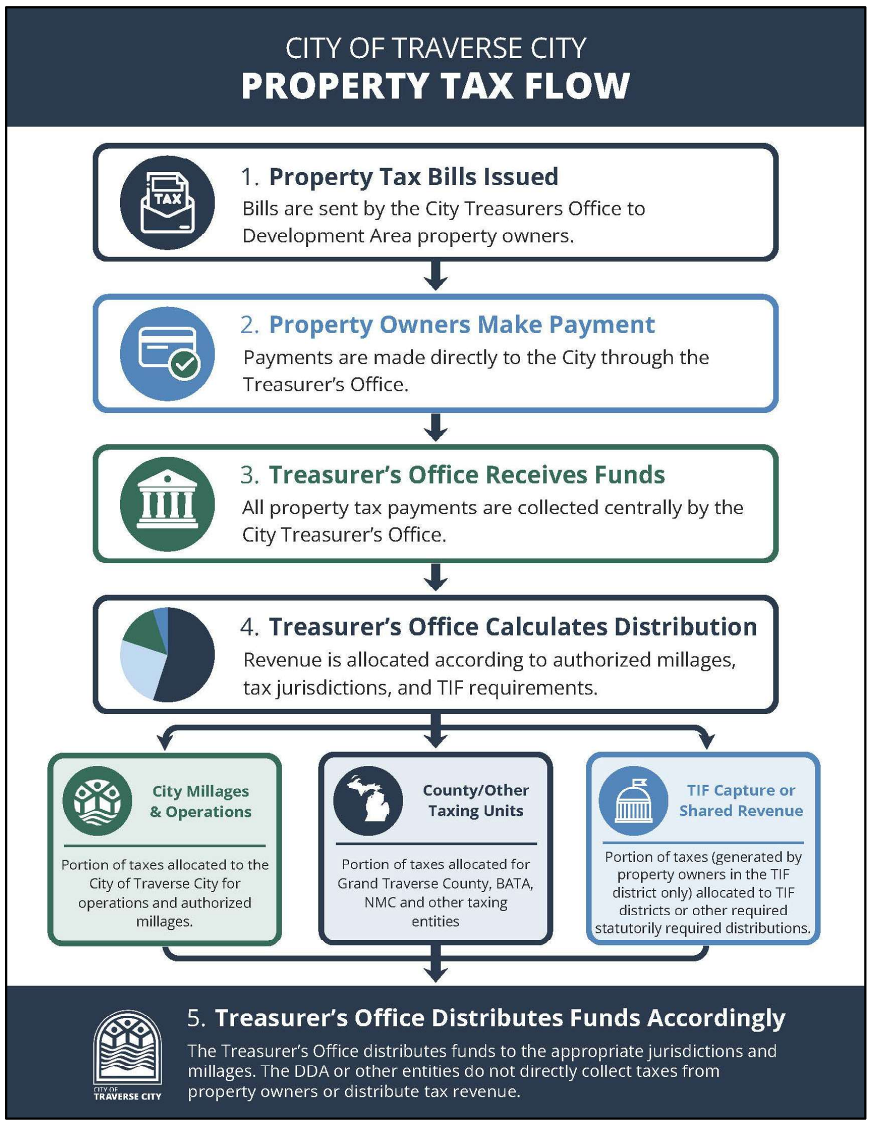
The tax increment financing procedure requires the City to adopt an ordinance approving the development and tax increment financing plan. Following the adoption of that ordinance, the municipal and county treasurers are required by law to transmit to the Downtown Development Authority the tax increment revenues as defined in Public Act 57. The "captured assessed value" is defined as the amount in any one year by which the current assessed value of all real and personal property in the development area (including the assessed value that appears in the tax rolls under Act 198 of Public Acts, 1974 or Act 255 of the Public Acts of 1978) exceeds the initial assessed value of said properties. See MCL 125.401(f).

The 1997 taxable value for the entirety of the TIF-97 District was $32,860,088. This value serves as the "base year" for the Infrastructure First TIF Plan. For reference, the most current taxable value for the TIF-97 District (as audited for Fiscal Year ending June 30, 2025) was $200,641,353. *Exhibit A.* shows the tax increment revenues captured from each taxing entity, as audited for FYE 2025.

Tax Increment Revenue Sharing

Consistent with the previous tax collection process under TIF-97, the City Treasurer's Office administers the collection and distribution of TIF Funds as calculated on the captured assessed value of properties within the Development Area. Beginning with the 2028 tax year, the DDA shall operate under a 70%/30% Revenue Sharing Model (subject to the provisions below), where the City Treasurer's Office shall return 30% of the local tax increment revenues to the local tax levying entities, while 70% of the local tax increment revenues shall be distributed to the DDA as shown in *Exhibit B.* This revenue sharing allocation shall be calculated and applied by the City Treasurer's Office before the distribution of tax increment revenues are made each year. Distributions of tax increment revenues to the taxing entities and DDA from the City shall be on the same schedule as required for other property tax distributions and shall include all adjustments made to the tax roll through the course of the tax year as required by Michigan General Property Tax Act (Public Act 206 of 1893; MCL 211.1 *et seq.*).

A flow chart illustrating how the City collects and distributes property taxes, including TIF funds, to the taxing entities and the DDA within the Development Area is provided at right.



Included in this Plan are the estimated tax increment revenues for the duration of the Development and TIF Plan (*Exhibit B.).* This involves estimating future development activity as a linear average. Upon the approval of Proposal A in 1994, the City Assessor's Office has projected a conservative average annual increase of taxable value within the development area of 2.3%, which this Plan utilizes as the average annual increase each year for the duration of the TIF Plan.

B. USE OF TIF REVENUE

The tax increment revenues paid to the Authority by the municipal and county treasurers are to be disbursed to the Authority from time to time as taxes are collected within the identified district to carry out the purposes of the development plan, including the following purposes:

1. Payments for public improvements, including parking and land acquisition
2. The necessary and appropriate demolition expenses as defined by the Authority
3. The reasonable, necessary and appropriate administrative, legal, professional and personnel expenses of the Authority related specifically to the development area
4. Maintenance and the development of parking areas
5. Utility improvements
6. Alley improvements and relocation
7. Bridge and street repair and replacement
8. Snow-melt infrastructure, including infrastructure associated with other improvements allowed in the development plan
9. Marketing and business development initiatives
10. Business stabilization initiatives intended to support the retention, resiliency, continuity and long-term viability of existing local/independent/small businesses
11. On-going maintenance and other services and programs that address cleanliness in the development area
12. On-going maintenance of public restrooms
13. Development and maintenance of public art
14. Mobility infrastructure and services such as enhanced transit, shuttles, car-sharing and bike-sharing
15. Contributions with qualified non-profits, public agencies or third-party administrators for the purpose of constructing workforce housing
16. Brownfield-eligible expenses reimbursed by the Grand Traverse County Brownfield Redevelopment Authority
17. Capital expenses related to the City Opera House
18. Infrastructure expenses that address energy, energy efficiency, climate change, resiliency and stormwater management
19. Contributions toward city owned parks and public spaces
20. Expenses directed for public safety
21. Public improvements as shown in the development plan
22. Other eligible activities allowed under Act 197 Public Act of Michigan 1975 as recodified into Act 57, Public Act of Michigan 2018, as amended

C. TAX CAPTURE EXEMPTIONS

Special city and county millages approved by city and county voters on or after January 1, 2023 shall be exempt from TIF capture. This provision does not include renewals of special city and county millages that were previously captured by TIF prior to January 1, 2023.

D. MAXIMUM AMOUNT OF BONDED INDEBTEDNESS

The extent of future bonded indebtedness will be determined as projects are pursued, costs are refined and other sources of funding have been secured. The maximum amount of bonded indebtedness to be incurred under this TIF Plan will be limited only to those projects identified in the Development Plan, or subsequent voter approved amendments to the Development Plan and will be limited by the annual revenues available to the DDA for bond interests and principal payments (not to exceed $89,000,000).

E. IMPACT ON ASSESSED & TAXABLE VALUES AND TAX REVENUES

The Development Plan is expected to continue to generate increased economic activity in the Infrastructure First TIF District, the City of Traverse City and Grand Traverse County at large. This increase in activity will in turn generate additional amounts of tax revenue to the local taxing entities through increases in assessed valuations of real and personal property. All taxing entities will benefit from this growth and from a stable and enhanced tax base resulting in public investment. The taxing entities continue to receive their full tax levy on the district base and 30% of the increase due to new development.

For the purpose of estimating the revenue-sharing impact of the TIF Plan upon the taxing entities and the DDA within the Infrastructure First TIF District, estimates of taxable value were used to estimate the revenue gains for each taxing entity and the DDA in year one of the plan (see *Exhibit C*.) Furthermore, *Exhibit D*. provides projected revenue gains for each taxing entity over the 20-year life of this Plan.

F. DURATION OF THE PROGRAM

The Infrastructure First Tax Increment Financing Plan shall last not more than 20 years except as it may be modified from time to time following the amendment procedures outlined in the Traverse City Implementation Policy for Charter 28 TIF Amendments adopted by the City Commission on October 6, 2025, including that the Tax Increment Financing plan be submitted to a public vote. The last date of capture under this Plan will be December 31, 2047

G. APPROVAL OF THE PLAN

Approval of the Infrastructure First Tax Increment Financing Plan shall follow the amendment procedures and stipulations outlined in the Traverse City Implementation Policy for Charter 28 TIF Amendments adopted by the City Commission on October 6, 2025, including that the Tax Increment Financing Plan be submitted to a public vote. A copy of the Implementation Policy can be found in *Appendix A.*

EXHIBIT A. FISCAL YEAR 2024 -2025 TAX INCREMENT REVENUE CAPTURE FOR EACH TAXING ENTITY

Traverse City Downtown Development Authority Fiscal Year 2024 -2025 Tax Increment Revenue Capture Summary		
Taxing Entities	**Mills**	**Tax Increment Revenue Capture**
City of Traverse City		
City Operating	11.6322	$1,908,218.56
City Act 345	2.32	$380,587.25
EMS/Ambulance	0.9884	$162,143.29
	Total	**$2,450,949.10**
Grand Traverse County		
Operating	4.671	$766,259.94
Commission on Aging (COA)	0.4683	$76,438.21
COA Sr. Center	0.0933	$15,225.80
Veterans Affairs	0.1121	$18,294.96
Animal Control	0.0365	$5,954.94
Conservation District	0.0946	$15,438.61
Road Commission	1.00	$163,227.74
	Total	**$1,060,840.20**
Bay Area Transportation Authority		
Operating	0.4726	$77,528.25
Northwestern Michigan College		
Operating	1.0165	$166,752.99
Operating	1.0166	$165,937.60
	Total	**$332,690.59**
Joint Recreation Authority		
Operating	0.2909	$47,480.90
Downtown Development Authority		
Operating	1.5879	$260,489.01
Total Tax Increment Revenues Capture	**25.8009**	**$4,229,978.05**

This table represents the tax increment revenues captured for each taxing entity under the most recent audit for fiscal year ending June 30, 2025.

EXHIBIT B. PROJECTED TAX INCREMENT REVENUE

Traverse City DDA Tax Increment Revenue (TIR) Projections						
Plan Year	Tax Year	Fiscal Year	Estimated Captured Taxable Value	Estimated TIR	TIR Share 30%	TIR DDA 70%
1	2028	2028 - 2029	$ 211,800,023	$ 5,184,154	$ 1,555,246	$ 3,628,908
2	2029	2029 - 2030	$ 216,808,236	$ 5,295,685	$ 1,588,706	$ 3,706,980
3	2030	2030 - 2031	$ 221,918,895	$ 5,409,228	$ 1,622,769	$ 3,786,460
4	2031	2031 - 2032	$ 227,134,093	$ 5,524,821	$ 1,657,446	$ 3,867,375
5	2032	2032 - 2033	$ 232,455,966	$ 5,642,501	$ 1,692,750	$ 3,949,751
6	2033	2033 - 2034	$ 237,886,696	$ 5,762,307	$ 1,728,692	$ 4,033,615
7	2034	2034 - 2035	$ 243,428,505	$ 5,884,277	$ 1,765,283	$ 4,118,994
8	2035	2035 - 2036	$ 249,083,665	$ 6,008,452	$ 1,802,536	$ 4,205,916
9	2036	2036 - 2037	$ 254,854,492	$ 6,134,872	$ 1,840,461	$ 4,294,410
10	2037	2037 - 2038	$ 260,743,349	$ 6,263,578	$ 1,879,073	$ 4,384,505
11	2038	2038 - 2039	$ 266,752,649	$ 6,394,613	$ 1,918,384	$ 4,476,229
12	2039	2039 - 2040	$ 272,884,853	$ 6,528,019	$ 1,958,406	$ 4,569,613
13	2040	2040 - 2041	$ 279,142,472	$ 6,663,840	$ 1,999,152	$ 4,664,688
14	2041	2041 - 2042	$ 285,528,070	$ 6,802,120	$ 2,040,636	$ 4,761,484
15	2042	2042 - 2043	$ 292,044,260	$ 6,942,905	$ 2,082,872	$ 4,860,034
16	2043	2043 - 2044	$ 298,693,712	$ 7,086,241	$ 2,125,872	$ 4,960,369
17	2044	2044 - 2045	$ 305,479,148	$ 7,232,174	$ 2,169,652	$ 5,062,522
18	2045	2045 - 2046	$ 312,403,348	$ 7,380,753	$ 2,214,226	$ 5,166,527
19	2046	2046 - 2047	$ 319,469,145	$ 7,532,026	$ 2,259,608	$ 5,272,418
20	2047	2047 - 2048	$ 326,679,434	$ 7,686,042	$ 2,305,813	$ 5,380,229
Totals			**$ 5,315,191,011**	**$ 127,358,608**	**$ 38,207,582**	**$ 89,151,026**

This table represents the estimated tax increment revenues over the course of the Plan, detailed by their distribution under the revenue share model. The tax increment revenues are calculated using the Tax Year 2026 millage rates to estimate Tax Year 2028 millage rates and does not consider potential future Headlee tax rate rollbacks beyond Tax Year 2028. Actual rates will vary from year to year. In addition, in compliance with Section C of this TIF Plan, the EMS/Ambulance millage is not included in the estimated revenues.

EXHIBIT C. ESTIMATED YEAR ONE TAX INCREMENT REVENUE

Traverse City Downtown Development Authority Estimated First Year of Tax Increment Revenue Capture (2028 Tax Year) All Taxing Entities					
Estimated Tax Increment Revenues (TIR)		**Estimated Taxable Value**	**All Estimated TIR**	**TIR Share 30%**	**TIR Share 70%**
Taxing Entities	**Mills**	**$211,800,023**	**$5,184,154**	**$1,555,246**	**$3,628,908**
City of Traverse City					
City Operating	11.4978		$ 2,435,234	$ 730,570	$ 1,704,664
City Act 345	2.32		$ 491,376	$ 147,413	$ 343,963
	Total		**$ 2,926,610**	**$ 877,983**	**$ 2,048,627**
Grand Traverse County					
Operating	4.5748		$ 968,943	$ 290,683	$ 678,260
COA	0.4586		$ 97,131	$ 29,139	$ 67,992
COA Sr. Center	0.0914		$ 19,359	$ 5,808	$ 13,551
Veterans	0.1097		$ 23,234	$ 6,970	$ 16,264
Animal Control	0.0357		$ 7,561	$ 2,268	$ 5,293
Conservation District	0.0926		$ 19,613	$ 5,884	$ 13,729
Road Commission	0.9794		$ 207,437	$ 62,231	$ 145,206
	Total		**$ 1,343,278**	**$ 402,983**	**$ 940,295**
Bay Area Transportation Authority					
Operating	0.4623		$ 97,915	$ 29,375	$ 68,541
Northwestern Michigan College					
Operating	0.9955		$ 210,847	$ 63,254	$ 147,593
Operating	0.9957		$ 210,889	$ 63,267	$ 147,622
	Total		**$ 421,736**	**$ 126,521**	**$ 295,215**
Joint Recreation Authority					
Operating	0.2863		$ 60,638	$ 18,192	$ 42,447
Downtown Development Authority					
Operating	1.577		$ 334,009	$ 100,203	$ 233,806
Estimated Tax Increment Revenues (TIR)	24.4768		**$ 5,184,187**	**$ 1,555,256**	**$ 3,628,931**

This table represents a snapshot of the first year of tax increment revenue captured under the Amended Plan. The tax increment revenues are calculated using the Tax Year 2026 millage rates to estimate Tax Year 2028 millage rates and does not consider potential future Headlee tax rate rollbacks beyond Tax Year 2028. Actual rates may vary in the first year of the Amended Plan. In addition, in compliance with Section C of this TIF Plan, the EMS/Ambulance millage is not included in the estimated revenues.

EXHIBIT D. PROJECTED REVENUE IMPACTS ON TAXING ENTITIES

Traverse City Downtown Development Authority Estimated Tax Increment Revenue Gains To Taxing Entities								
Plan Year	Fiscal Year	City Operating	City Act 345	GT County Operating	COA	COA Sr. Center	Veterans	Animal Control
	Millage Rate	11.4978	2.32	4.5748	0.4586	0.0914	0.1097	0.0357
1	2028 - 2029	$730,570	$147,413	$290,683	$29,139	$5,808	$6,970	$2,268
2	2029 - 2030	$747,845	$150,899	$297,556	$29,828	$5,945	$7,135	$2,322
3	2030 - 2031	$765,474	$154,456	$304,570	$30,532	$6,085	$7,303	$2,377
4	2031 - 2032	$783,463	$158,085	$311,728	$31,249	$6,228	$7,475	$2,433
5	2032 - 2033	$801,820	$161,789	$319,032	$31,981	$6,374	$7,650	$2,490
6	2033 - 2034	$820,552	$165,569	$326,485	$32,728	$6,523	$7,829	$2,548
7	2034 - 2035	$839,668	$169,426	$334,091	$33,491	$6,675	$8,011	$2,607
8	2035 - 2036	$859,174	$173,362	$341,852	$34,269	$6,830	$8,197	$2,668
9	2036 - 2037	$879,080	$177,379	$349,772	$35,063	$6,988	$8,387	$2,729
10	2037 - 2038	$899,392	$181,477	$357,855	$35,873	$7,150	$8,581	$2,793
11	2038 - 2039	$920,121	$185,660	$366,102	$36,700	$7,314	$8,779	$2,857
12	2039 - 2040	$941,273	$189,928	$374,518	$37,543	$7,483	$8,981	$2,923
13	2040 - 2041	$962,857	$194,283	$383,106	$38,404	$7,654	$9,187	$2,990
14	2041 - 2042	$984,883	$198,728	$391,870	$39,283	$7,829	$9,397	$3,058
15	2042 - 2043	$1,007,360	$203,263	$400,813	$40,179	$8,008	$9,611	$3,128
16	2043 - 2044	$1,030,296	$207,891	$409,939	$41,094	$8,190	$9,830	$3,199
17	2044 - 2045	$1,053,701	$212,613	$419,252	$42,028	$8,376	$10,053	$3,272
18	2045 - 2046	$1,077,585	$217,433	$428,755	$42,980	$8,566	$10,281	$3,346
19	2046 - 2047	$1,101,958	$222,351	$438,452	$43,953	$8,760	$10,514	$3,422
20	2047 - 2048	$1,126,828	$227,369	$448,348	$44,945	$8,958	$10,751	$3,499
Total		**$18,333,901**	**$3,699,373**	**$7,294,781**	**$731,264**	**$145,743**	**$174,923**	**$56,926**

This table represents the estimated tax increment revenues over the course of the Plan, detailed by their distribution under the revenue share model. The tax increment revenues are calculated using the Tax Year 2026 millage rates to estimate Tax Year 2028 millage rates and does not consider potential future Headlee tax rate rollbacks beyond Tax Year 2028. Actual rates will vary from year to year. In addition, in compliance with Section C of this TIF Plan, the EMS/Ambulance millage is not included in the estimated revenues.

Traverse City Downtown Development Authority Estimated Tax Increment Revenue Gains To Taxing Entities								
Plan Year	**Fiscal Year**	**Conservation District**	**Road Commission**	**BATA**	**NMC**	**NMC**	**Joint Rec. Authority**	**DDA**
	Millage Rate	0.0926	0.9794	0.4623	0.9955	0.9957	0.2863	1.577
1	2028 - 2029	$5,884	$62,231	$29,375	$63,254	$63,267	$18,192	$100,203
2	2029 - 2030	$6,023	$63,703	$30,069	$64,750	$64,763	$18,622	$102,572
3	2030 - 2031	$6,165	$65,204	$30,778	$66,276	$66,289	$19,061	$104,990
4	2031 - 2032	$6,310	$66,737	$31,501	$67,834	$67,847	$19,509	$107,457
5	2032 - 2033	$6,458	$68,300	$32,239	$69,423	$69,437	$19,966	$109,975
6	2033 - 2034	$6,608	$69,896	$32,993	$71,045	$71,059	$20,432	$112,544
7	2034 - 2035	$6,762	$71,524	$33,761	$72,700	$72,715	$20,908	$115,166
8	2035 - 2036	$6,920	$73,186	$34,545	$74,389	$74,404	$21,394	$117,841
9	2036 - 2037	$7,080	$74,881	$35,346	$76,112	$76,128	$21,889	$120,572
10	2037 - 2038	$7,243	$76,612	$36,162	$77,871	$77,887	$22,395	$123,358
11	2038 - 2039	$7,410	$78,377	$36,996	$79,666	$79,682	$22,911	$126,201
12	2039 - 2040	$7,581	$80,179	$37,846	$81,497	$81,513	$23,438	$129,102
13	2040 - 2041	$7,755	$82,018	$38,714	$83,366	$83,383	$23,976	$132,062
14	2041 - 2042	$7,932	$83,894	$39,600	$85,273	$85,290	$24,524	$135,083
15	2042 - 2043	$8,113	$85,808	$40,504	$87,219	$87,237	$25,084	$138,166
16	2043 - 2044	$8,298	$87,762	$41,426	$89,205	$89,223	$25,655	$141,312
17	2044 - 2045	$8,486	$89,756	$42,367	$91,231	$91,250	$26,238	$144,522
18	2045 - 2046	$8,679	$91,790	$43,327	$93,299	$93,318	$26,832	$147,798
19	2046 - 2047	$8,875	$93,866	$44,307	$95,409	$95,429	$27,439	$151,141
20	2047 - 2048	$9,075	$95,985	$45,307	$97,563	$97,582	$28,058	$154,552
Total		**$147,656**	**$1,561,709**	**$737,164**	**$1,587,382**	**$1,587,701**	**$456,522**	**$2,514,617**

This table represents the estimated tax increment revenues over the course of the Plan, detailed by their distribution under the revenue share model. The tax increment revenues are calculated using the Tax Year 2026 millage rates to estimate Tax Year 2028 millage rates and does not consider potential future Headlee tax rate rollbacks beyond Tax Year 2028. Actual rates will vary from year to year. In addition, in compliance with Section C of this TIF Plan, the EMS/Ambulance millage is not included in the estimated revenues.

APPENDIX A. TRAVERSE CITY IMPLEMENTATION POLICY FOR CHARTER 28 TIF AMENDMENTS

The City of Traverse City

Office of the City Clerk

GOVERNMENTAL CENTER
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4480
tcclerk@traversecitymi.gov

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.

Sarah Lutz

Sarah Lutz, Interim City Clerk

APPENDIX B. TIF TOOL AND PLAN SUMMARY SHEET

Traverse City - Downtown Development Authority (DDA)

Infrastructure First - Tax Increment Financing (TIF) Plan
Preserve · Maintain · Improve

Summary Sheet

What is TIF?

Short for "tax increment financing", TIF is a funding tool used by the City and Downtown Development Authority (DDA) to construct and maintain critical public infrastructure and facilitate services throughout the downtown area.

How Does TIF Work?

Under TIF, the City and DDA harness a portion of the property tax revenue generated from the incremental increase in property values within the downtown district over time. This revenue is then reinvested into public infrastructure improvements, maintenance and services within the downtown district.

Previous TIF Funds Projects

Previous public infrastructure projects funded under TIF include the Hardy Parking Deck, the Pine Street pedestrian bridge, boardwalks along the Boardman/Ottaway River, public restrooms, bridge rehabilitation, way-finding signage and structural and mechanical improvements to the City Opera House. In addition, TIF has funded street and sidewalk improvements, pedestrian crosswalks and tree planting throughout the downtown district.

Ongoing Services Funded by TIF

TIF is used to fund several core programs and services that support the day-to-day safety, maintenance, operations, and overall experience of downtown, including trash and recycling removal, the downtown police officer position, flower planters, holiday lights, landscaping, public restrooms, graffiti removal, sidewalk washing and the Farmers Market. In addition, TIF funds City departmental services (e.g., Mobility Infrastructure, Parks) applied to or provided within the downtown district.

Who Oversees TIF Expenditures?

The DDA Board is responsible for forming and recommending the DDA's annual budget, which includes TIF expenditures for public infrastructure projects. The City Commission has final approval of the DDA's budget as well as the scope and expenditures of each infrastructure project. In addition, the DDA submits audited financial statements to the City that include TIF information and annual financial reporting and complies with all applicable State of Michigan reporting requirements.

What is the *Infrastructure First TIF Plan*?

An amendment and extension of the TIF-97 Plan, the **Infrastructure First TIF Plan** is the roadmap for reinvesting TIF revenue into the public infrastructure and services that support a functional and thriving downtown. This plan prioritizes infrastructure investments that enhance walkability, accessibility, water quality, safety, cleanliness, and the protection and promotion of local independent businesses – helping to ensure downtown and Traverse City remains strong and resilient for decades to come.

How Were the Projects and Priorities in the *Infrastructure First TIF Plan* Identified?

The infrastructure projects, commitments to maintenance, and service priorities listed in this plan were guided by on-going discussions between DDA and City staff, the City Commission and DDA Board, and several years of community engagement, including the City's recent Strategic Action Planning process.

Key Elements in the Plan

Project Priorities: Infrastructure projects included in this plan prioritize streets, sidewalks, trails, utilities, stormwater systems, the Boardman/Ottaway River, public spaces and support for local independent businesses.

Commitment to Maintenance and Services:

- 2% annual contribution to stormwater infrastructure from DDA revenue
- 2% annual contribution to city infrastructure repairs and maintenance from DDA revenue
- Commitment to maintain the Farmers Market and Rotary Square

Length of Plan: 20 Years - Ending Dec. 31, 2047

New Revenue Sharing Model: 70% of the incremental revenue is retained by the DDA and 30% is shared back to the participating taxing entities.

Tax Capture Exception: Funding for any special city or county millage approved by city or county voters on or after January 1, 2023 are exempt from TIF Capture.