

Q1: Do you support the use of economic and community development tools available to the city (e.g. – Tax Increment Financing (TIF), Brownfield TIF, Downtown Development Authority, Corridor Improvement District)? Please explain with as much detail as possible.

CITY COMMISSION CANDIDATE

Tim Werner : I fully support the use of TIF and Brownfield TIF as tools available to Traverse City for economic and community development. The DDA plays the key role in implementing the TIF97 and Old Town TIF Plans to help secure a vibrant downtown for current and future generations. The City's two TIF districts provide a means for regional tax support for projects and improvements with regional impact. Examples include: the 8th St. bridge, boardwalks along the Boardman River, the City Opera House, the West Front St. bridge, and the Old Town Garage/Hagerty expansion. Here are some reasons why I support TIF:

- TIF provides developers with the confidence that the City will make infrastructure investments needed to maintain a healthy downtown.
- All citizens of Traverse City benefit from a healthy downtown.
- Tax capture through TIF results in approximately \$1 of City taxes being matched by \$1 of regional taxes.
- Each individual expenditure must be approved by the City Commission, thereby providing a check on the TIF Plans as priorities change over time.

Brownfield TIF has traditionally been a tool that provides a mechanism for funding redevelopment of contaminated property through the capture of City, regional, and state taxes. This traditional approach I would nearly always support. More recently, Lansing has expanded the allowable expenses that can be financed with captured Brownfield dollars. As with the City's TIF districts, Brownfield expenditures must be approved by the City Commission, and newly allowed expenses, such as private underground parking, may or may not be approved by the City Commission. Very convincing arguments have to be made as to how such private investment of captured dollars benefits Traverse City. A "first on the block" argument that the project is jump starting redevelopment for multiple properties might be convincing. Increased finished square footage and therefore increased taxable value might also be a convincing argument.

Gary Howe: I support economic and community development tools that help the City create more efficient, sustainable growth by leveraging private development to achieve the environmental, social, and economic goals of the community.

The use of tax increment financing, whether it be through the DDA, Brownfield Authority, or other programs, allows the community to finance public improvements in a measured, thoughtful way that is directly tied to real tax revenue gains. TIF projects also help local government and private partners leverage revenue with outside money in the form of grants, low-interest loans, and private funds that are otherwise not available.

Since their creation, the DDA TIF programs have helped the City turn every new dollar of tax revenue in the district into three. This has paid for regional assets like bridges, water mains, parking decks, and stormwater infrastructure that otherwise would have relied solely on the City's general fund, and at the same time, TIF has helped create an award-winning destination that benefits locals and visitors alike.

Michele Howard: I am in support of TIF, Brownfield TIF, the DDA and Corridor Improvement Districts. The evidence of their successes is all over our downtown. We have a very vibrant regional hub of activity. While I support these tools, I think in order to be good partners with our fellow municipal governments, we need to use TIF districts wisely and target areas in the most need. I also think we need to look at TIF renewal requests closely and ensure that renewals are for only as much time as needed in order to reach the goals of the TIF plan. Other municipalities restrict TIF renewals to a maximum of 10 years unless there is a compelling reason to extend the program further. TIF plays an important role in revitalizing targeted areas within our community. But there must be a logical end to the plan, where we proclaim victory and celebrate our achievements.

Brian McGillivray: Economic tools cited above can serve a useful purpose but they can also be overused. TIF funding that flows to the DDA for city improvements can help offset the burden hundreds of thousands of visitors put on the city each year. Brownfield Funds can be useful to help reduce serious contamination and make property buildable, but at the same time some projects involve little clean up but funnel million's of dollars to developers for normal construction costs and allow the county and state economic development agencies to siphon off hundreds of thousands of dollars to pad their own budgets. Bottom line each project has to be evaluated on its own merits.

Jeff Leonhardt: My understanding of these development tools is that they originally were intended as a way to end blight, clean up toxic sites, and that they have a beginning and an end. As is true with many development tools, there are positives and negatives. I support the use of these tools, when they are true to the original purpose, or as nearly as they can be, and they have significant public value. In my research of these tools I found some interesting information. TIF that is targeted, transparent, accountable, and democratically governed is potentially a good thing. I also found that TIF districts grow faster but that may not necessarily be due to the TIF itself and there may be an expense to other parts of the municipality. Not only should these tools be used on projects of significant public value, they need to have a limited negative impact on the general fund. I think developers should be held accountable for promises and agreements they make, and that is especially true if they are taking advantage of these tools. We need to develop but it can't be at the expense or the neglect of other parts of our city and its infrastructure.