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TO: COUNCIL MEMBERS
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: September 15, 2021
RE: TIF Questions

In a September 10, 2021 memo from President Pro Tem Mary Sheffield, asked the Legislative Policy Division (LPD) to answer several TIF¹ related questions. This report is our response to this inquiry.

Council President Pro-Tem Sheffield asked LPD to answer the following questions:

- **How does a resident know if they are in a TIF District?**
- **Where would a TIF be reflected on a tax bill?**
- **Can an individual property be removed from a TIF District?**
- **How would a TIF District be removed?**
- **Does the City have the authority to remove a TIF District?**
- **Is the Virginia Park Neighborhood currently in a TIF District?**

Regarding the first question, *how can a resident know they are in a TIF District?* According to the Assessor's Office, every tax bill from the City of Detroit has a designation header at the top that indicates "TIF Dist." The "TIF District" header on each tax bill is a placeholder header, which is reserved for a specific TIF District designation where it applies. If it is blank to the right of the header, there is no TIF designation. This is illustrated as **Exhibit 1** on the next page.

In the case where a TIF district exists, actual TIF Districts are listed with their designations to the right of the TIF header, as illustrated in the second attached tax bill. This is illustrated as **Exhibit 2** on the next page.

¹ Tax Increment Financing (TIF) subsidizes an entity by refunding or diverting a portion of their taxes to help finance development in an area or on a project site.

Exhibit 1

IMPORTANT INFORMATION - SEE REVERSE SIDE	
PARCEL #	
Bill No.	
School District	DETROIT PUBLIC SCHOOLS
SEV	
Taxable Value	50.0000
PRE/MBT%	
Prop Class	401-RESIDENTIAL
TIF Dist	

Above, a box from a Virginia Park Resident's bill with a TIF District heading with a blank district notation (Parcel and bill #'s in addition to the taxable value are redacted for privacy)

Exhibit 2

IMPORTANT INFORMATION - SEE REVERSE SIDE	
PARCEL #	
Bill No.	
School District	DETROIT PUBLIC SCHOOLS
SEV	385,100
Taxable Value	385,100
PRE/MBT%	.0000
Prop Class	202-COMMERCIAL VACANT
TIF Dist	DDA Z110 (TID 1-1) THE EXCHANGE - 21

Above, a box from a commercial business' bill with a TIF District heading with a "DDA TIF" district notation (Parcel and bill #'s are redacted for privacy)

The next question, about where would a TIF be reflected on a tax bill? This is illustrated above, as to show that a TIF designation would be to the right of the "TIF Dist" header, showing a blank space if there is no TIF district as shown in Exhibit 1 or denoted with the designation as in Exhibit 2.

To answer the remaining questions, can an individual property be removed from a TIF District, how would a TIF District be removed, and does the City have the authority to remove a TIF District? To speak specifically on the Herman Kiefer Brownfield TIF, the issue that has raised the current discussion about TIFs, this is currently in the process of transition. According to the Detroit Brownfield Redevelopment Authority (DBRA), several of the Land Bank's residential properties currently under contract with the project's developer, subject to be purchased under the current development plan, may be sold to several members of the community. These properties, which are currently under the Herman Kiefer Brownfield TIF, may be removed from their current status under a *revised* Herman Kiefer Brownfield Plan once a newly revised brownfield plan and the status of all the Herman Kiefer residential parcels are finalized, thereby removing said parcels from their TIF designation.

Finally, to answer the question, is the Virginia Park Neighborhood currently in a TIF? The short answer is no. Only the commercial and residential parcels previously designated in the Herman Kiefer Brownfield TIF are included in the aforementioned TIF area.

Please contact us if we can be of any further assistance.

cc: Auditor General's Office
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