



2020 Tax Increment Finance Authority Annual Report

Introduction

In 1980, the Tax Increment Financing Authority (TIFA) Act was established, and then updated and recodified in 2018, to prevent urban deterioration and encourage economic development through the use of tax increment financing within an established district. Tax increment financing utilizes incremental tax capture above the base amount established at the time a Tax Increment Financing (TIF) District is created. Auburn Hills has three TIFA districts; 85-A, 85-B and 86-D which are managed by the Tax Increment Finance Authority Board of Directors. The Tax Increment Finance Authority Board of Directors is prescribed powers and duties including interest in real and personal property, the creation and implementation of development plans, study and analysis of economic changes taking place within the municipality, and the impact of growth in the development districts. The Board of Directors develop long range plans as well as preservation and planning initiatives through the use of matching grants, strategic design, and improvements.

Summary of 2020

Despite the impacts of the COVID-19 pandemic, the Tax Increment Finance Authority Board of Directors progressed through their list of 2020 goals with little disruption. One of the most notable initiatives by the Tax Increment Finance Authority in 2020 was the roll out of the artificial turf and acquisition of café furniture for the pop-up Public Square in downtown Auburn Hills. This initiative was brought forth to assist with capacity limitations placed on downtown bars and restaurants due to the COVID-19 pandemic; patrons were encouraged to order takeout/delivery from downtown establishments and enjoy the pop-up Public Square as an additional seating area in the core downtown. As an additional amenity, the Auburn Hills City Council authorized alcohol consumption at the pop-up Public Square. Following the seasonal closure of the pop-up Public Square, the Tax Increment Finance Authority created a sidewalk café furniture grant program and made the café furniture available to downtown bars and restaurants for their own sidewalk cafes. Based upon the success of the pop-up Public Square in 2020 and in years past, the Tax Increment Finance Authority has approved designs for a permanent Public Square and has budgeted for its construction in 2021. The Tax Increment Finance Authority expects this new amenity to provide the community with an intimate gathering place as well as being used to enhance the services provided by our downtown merchants.

The Tax Increment Finance Authority Board of Directors continuously strive to attract patrons and businesses to downtown Auburn Hills – 2020 was no exception. In early 2020, the Tax Increment Finance Authority completed an interior demolition of their building located at 3346 Auburn Road to prepare the 6,300 square-foot space for a tenant build-out. The Tax Increment Finance Authority Board is actively marketing the building to users that will create a destination in downtown Auburn Hills and the adjacent surface parking lot has been marketed to the development community to construct an infill mixed-use development in the downtown core. In late 2020, the Tax Increment Finance Authority authorized the sale of property located at 27 S. Squirrel Road to Detroit Riverside Capital for the construction of a new four-story mixed-use building in the downtown. Pending City approvals, Detroit Riverside Capital proposes to break ground on the new development in spring 2021.

In addition to the above, the Tax Increment Finance Authority assisted with many other projects and initiatives in 2020 including the installation of the new Riverside Park play structure and pavilion, the acquisition of picnic tables and umbrellas for the splash pad plaza, light pole painting in Riverside Park, the demolition of the Seyburn Mansion, and the construction of the new storage building and tennis courts on the Municipal Campus. The Tax Increment Finance Authority

also provided sponsorship for the City’s annual Tree Lighting Ceremony, Spooktacular, and the new Diwali Festival of Lights event.

Current Fund Balances

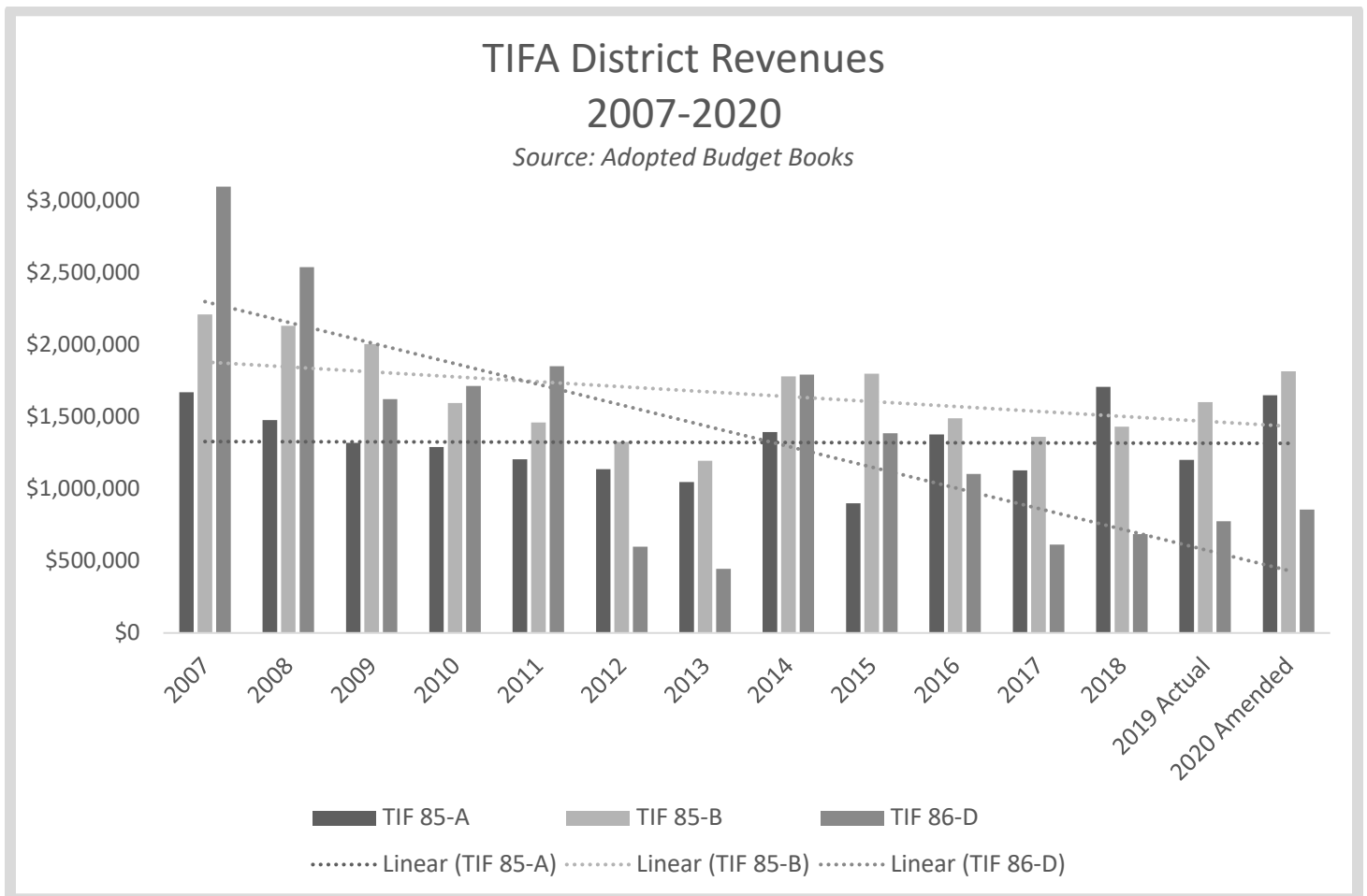
	TIF 85-A	TIF 85-B	TIF 86-D	Totals
Assets	\$27,845,522	\$19,080,355	\$26,424,421	\$73,350,298
Liabilities	\$2,349	\$3,048	\$23,292	\$28,779
Net Position	\$27,843,172	\$19,077,307	\$26,401,129	\$73,321,608
Cash	\$2,612,729	\$10,752,192	\$3,035,087	\$16,400,008

Source: TIFA Financial Statements –December 2020 *Pre-Audit

Revenues

All the TIF districts have been impacted by the recession over a decade ago. TIF Districts 85-A and 85-B remain more consistent, whereas TIF District 86-D experienced a dramatic decline in FY2012 and FY2013 due to the exemption of personal property taxes.

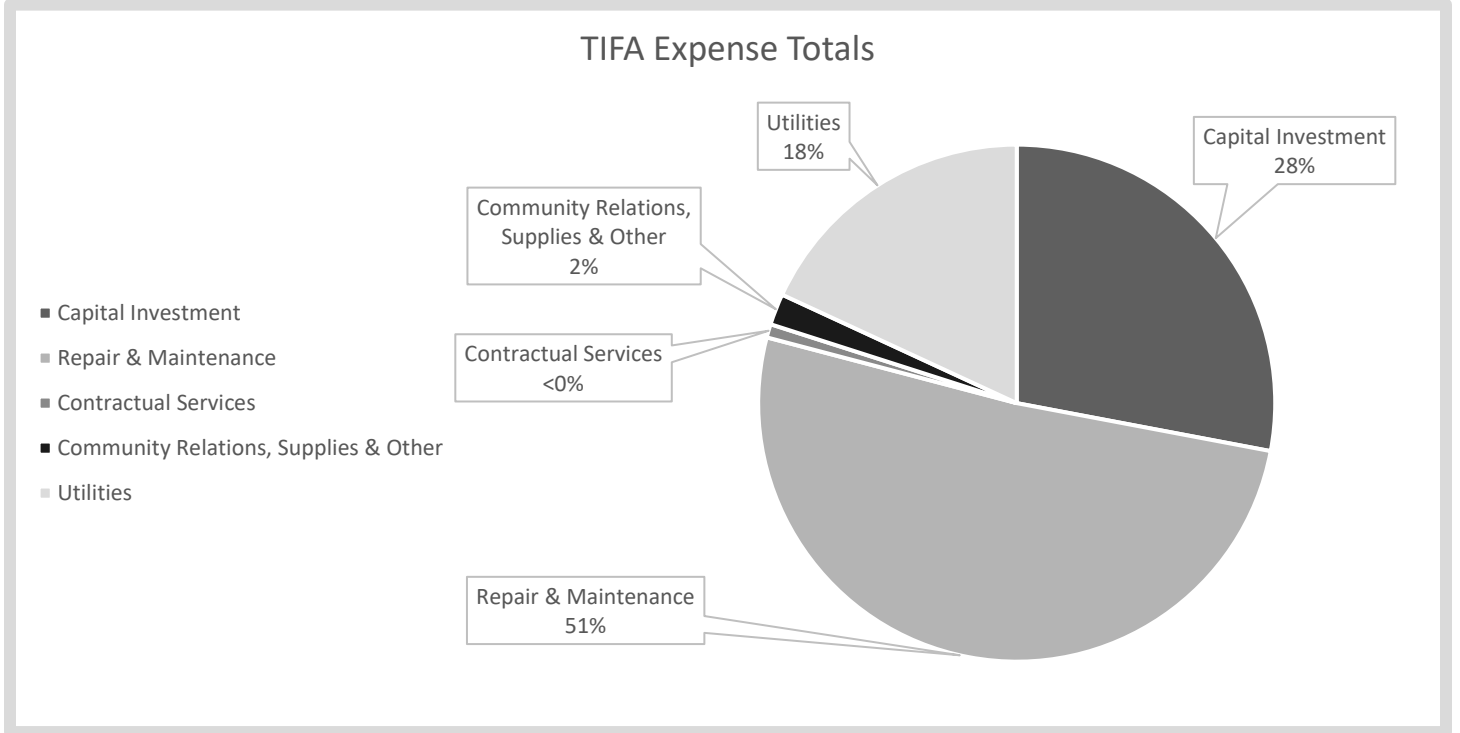
Staff and the Tax Increment Finance Authority Board of Directors understand the necessity to remain fiscally conservative when making policy decisions. As new projects begin in the districts, corresponding tax increment revenue will influence the future budgets and help sustain the future of the Tax Increment Finance Authority.



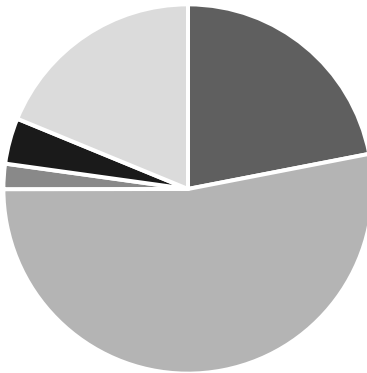
Expense Breakdown

The most impactful expenses and budgetary constraints on the Tax Increment Finance Authority come from the following areas: repair and maintenance, capital investment, utilities, contractual services, and community relations, supplies, & other.

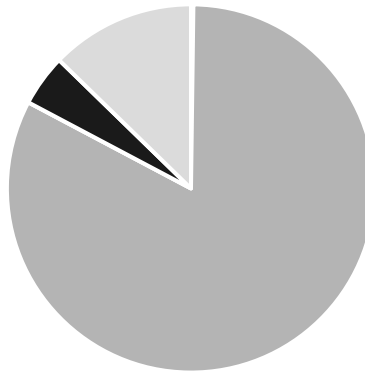
The following charts breakdown the proportion of these expenses on each district and provides an overview of the total of these expenses of all the districts combined.



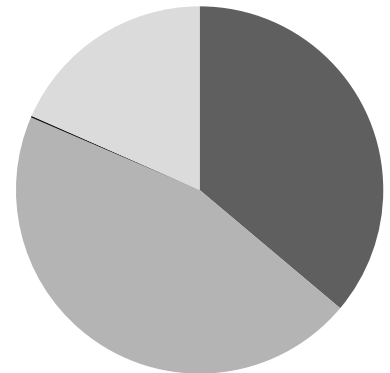
TIF 85-A



TIF 85-B



TIF 86-D



Source: TIFA Financial Statements –December 2020 *Pre-Audit

Conclusion

The Tax Increment Finance Authority works diligently to market properties in the core downtown area to create higher residential and retail density and to generate more walkable traffic throughout the downtown. Into the future, the Board and its leadership will continue to look for strategic partnerships with local stakeholders and higher education institutions to establish greater connections to the businesses and individuals in which the Tax Increment Finance Authority serves.

The progress that the Tax Increment Finance Authority has made throughout 2020, despite the impacts of the COVID-19 pandemic, is a direct result of the Board's dedication to furthering its vision and mission, even through difficult times. The Tax Increment Finance Authority will continue to work closely with the Auburn Hills Downtown Development Authority (DDA) as the two economic development entities share district boundaries and City-owned property.

As the community continues to build-out, the Tax Increment Finance Authority Board will continue to preserve and maintain our community assets. In 2021, the Board will continue to guide downtown Auburn Hills through the growth spurt of construction and influx of residents within the coming years.

The established tradition of the Tax Increment Finance Authority leadership will continue to be the guiding principle for partnerships in the business community and seeking out greater community involvement.

2021 TIFA Board of Directors

Michael Kneffel, *Chairman*

Dr. John Klemanski, *Vice Chairman*

Steven Goodhall, *Secretary*

Ron Moniz, *City Council Liaison*

Dr. Patricia Dolly

Dawn Price

Eugene Hawkins, III

Kaye Thornton

Bob Waltenspiel

Brandon Skopek, *Executive Director*