



2022 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 2022

In 2022, the Tax Increment Finance Authority continued to support the City's high-quality park system and provided funding support to complete several new amenities in City parks. With a generous contribution from Genisys Credit Union and the Tax Increment Finance Authority, construction of a new gazebo in Riverside Park was completed, which will serve Riverside Park's many visitors throughout the year. In addition to the new gazebo in Riverside Park, the Tax Increment Finance Authority provided funding for the Riverside Park streambank stabilization project. This project was necessary to prevent further erosion of the streambank in Riverside Park and to reestablish the previous shoreline. Rounding out the Tax Increment Finance Authority's investment in the City's parks system, the Tax Increment Finance Authority provided funding for the redevelopment of the Auburn Hills Skate Park and the resurfacing of the Clinton River Trail. The redevelopment of the Auburn Hills Skate Park included a new concrete pad and a complete replacement of the skate equipment. In June 2022, the Tax Increment Finance Authority unveiled "Ascension", which is a new sculpture located in downtown Auburn Hills within Riverside Park. This sculpture was created by Erik and Israel Nordin of Detroit Design Center and serves as the beginning of a greater public art initiative that will add additional arts and culture to downtown Auburn Hills.

In addition to the above projects and initiatives, the Tax Increment Finance Authority assisted with many other projects and initiatives in 2022 including the replacement of decorative streetlights throughout select areas of the City, the installation of flashing crosswalk signs along Featherstone Road, funding support for a new full-time Code Enforcement Officer in TIF District B, funding support for architectural and engineering services for the proposed addition to the downtown public parking structure and funding support for renovations to an existing building on the Municipal Campus, which will serve as the new Fire Department Administration Offices. The Tax Increment Finance Authority also provided sponsorship dollars for the City's annual Summerfest and SemptemBEERfest.

Current Fund Balances

	TIF 85-A	TIF 85-B	TIF 86-D	Totals
Assets	\$26,796,451	\$20,403,427	\$26,054,657	\$73,254,535

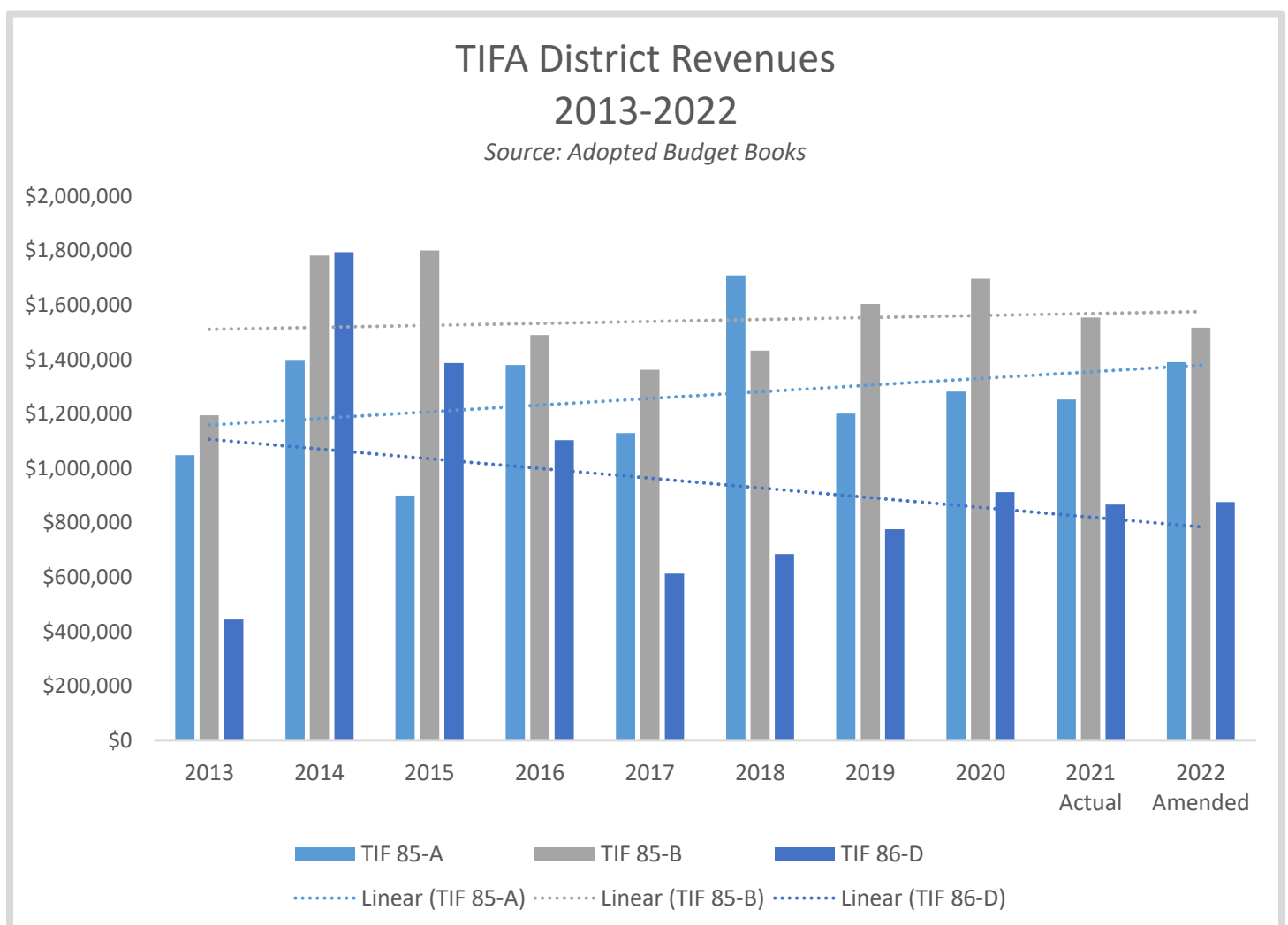
Liabilities	\$40,188	\$1,409	\$144,784	\$186,381
Net Position	\$26,756,263	\$20,402,018	\$25,909,872	\$73,068,153
Cash	\$3,391,460	\$12,848,870	\$3,439,709	\$19,680,039

Source: TIFA Financial Statements –December 2022 *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 revenues in FY2012 and FY2013 due to the exemption of personal property taxes.

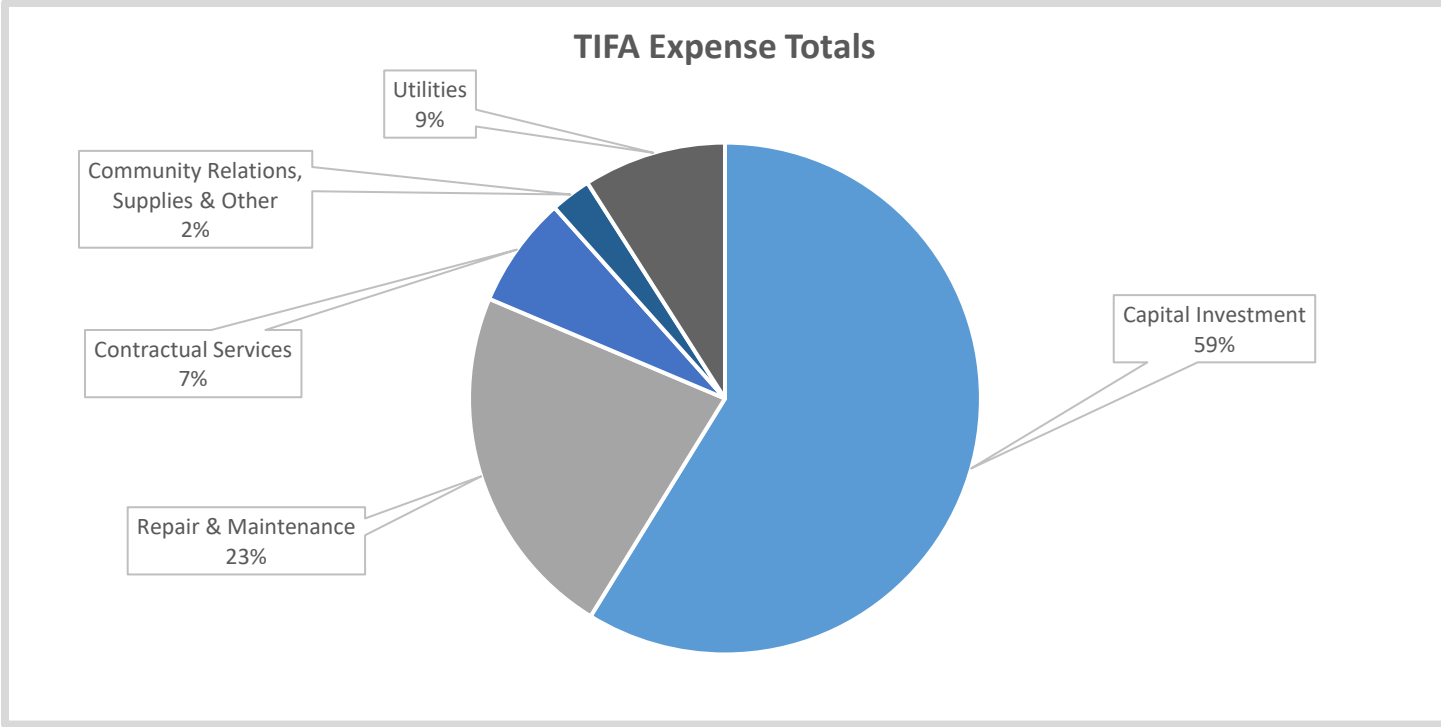
Staff and the Tax Increment Finance Authority Board of Directors understand the necessity to remain fiscally conservative when making policy decisions. As new projects begin in the districts, corresponding tax increment revenue will influence the future budgets and help sustain the future of the Tax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



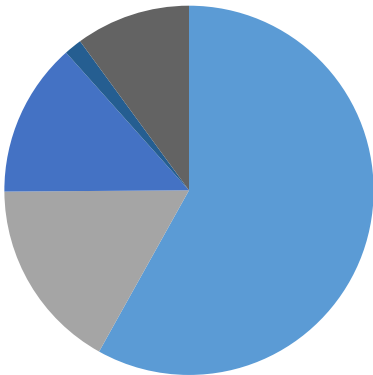
Expense Breakdown

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

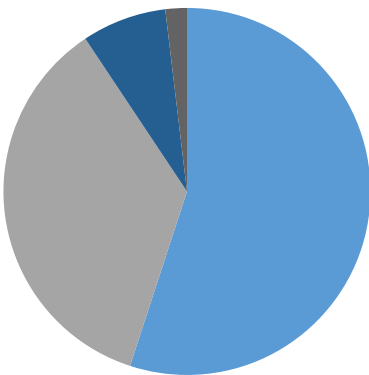
The following charts breakdown the proportion of these expenses on each district and provides an overview of the total of these expenses of all the districts combined.



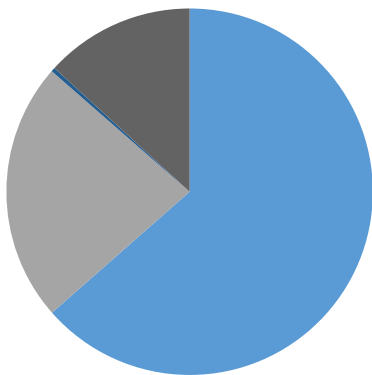
TIF 85-A



TIF 85-B



TIF 86-D



Source: TIFA Financial Statements –December 2022 *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 continued to make throughout 2022 is a direct result of the Board’s dedication to furthering its vision and mission. 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. 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.

2023 TIFA Board of Directors

Michael Kneffel, *Chairman*

Ron Moniz, *Vice Chairman*

Steven Goodhall, *Secretary*

Tim Carrier, *City Council Liaison*

Bob Waltenspiel

Paul Gudmundsen

Dr. Cody Eldredge

Brandon Skopek, *Executive Director*