



# 2023 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 using 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 2023

In 2023, the Tax Increment Finance Authority played a pivotal role in financing numerous maintenance and building projects across the City of Auburn Hills. Notable initiatives included the replacement of decorative streetlights in downtown Auburn Hills and along the Opdyke Road corridor, the resurfacing of tennis courts on the Municipal Campus, and the upgrade of audio equipment at the Community Center. A standout accomplishment was the TIFA-funded renovation of the new Fire Department Administration Building on the Municipal Campus, completed in spring 2023.

The Tax Increment Finance Authority continued its commitment to promoting economic vitality in downtown Auburn Hills through various projects and initiatives. Securing grant funding from the Michigan Economic Development Corporation (MEDC), the Tax Increment Finance Authority is one step closer toward the installation of the Public Square in downtown Auburn Hills. This exciting development aims to create a central gathering place, featuring amenities such as seating, overhead lighting, a covered performance stage, and lush landscaping. The Public Square is expected to host a variety of events and programs, enriching the experiences of residents and downtown guests.

Further contributing to the downtown landscape, the Tax increment Finance Authority approved the lease of a Class C liquor license for Cantina El Dorado, a Mexican-themed restaurant soon to open in downtown Auburn Hills. This establishment is anticipated to be a vibrant addition, offering a delightful dining experience for residents and visitors alike.

Recognizing the growing investment in downtown Auburn Hills, the Tax Increment Finance Authority partnered with the Downtown Development Authority and initiated a comprehensive downtown parking study. This study provided valuable insights into current and future parking conditions, facilitating informed decisions by the Tax Increment Finance Authority, the Downtown Development Authority, and the City Council as downtown Auburn Hills continues to expand.

In addition to these major projects, the Tax Increment Finance Authority supported various other initiatives in 2023. This included the acquisition of mobile vehicle mitigation barriers for downtown events, the remodel of the Finance/Treasurer offices, and the approval of a contract for architectural design services for the Fire Station 2 modernization project. The Tax Increment Finance Authority also contributed sponsorship dollars to the City's annual Summerfest and Tree Lighting Ceremony, further demonstrating its commitment to community engagement and enhancement.

## Current Fund Balances

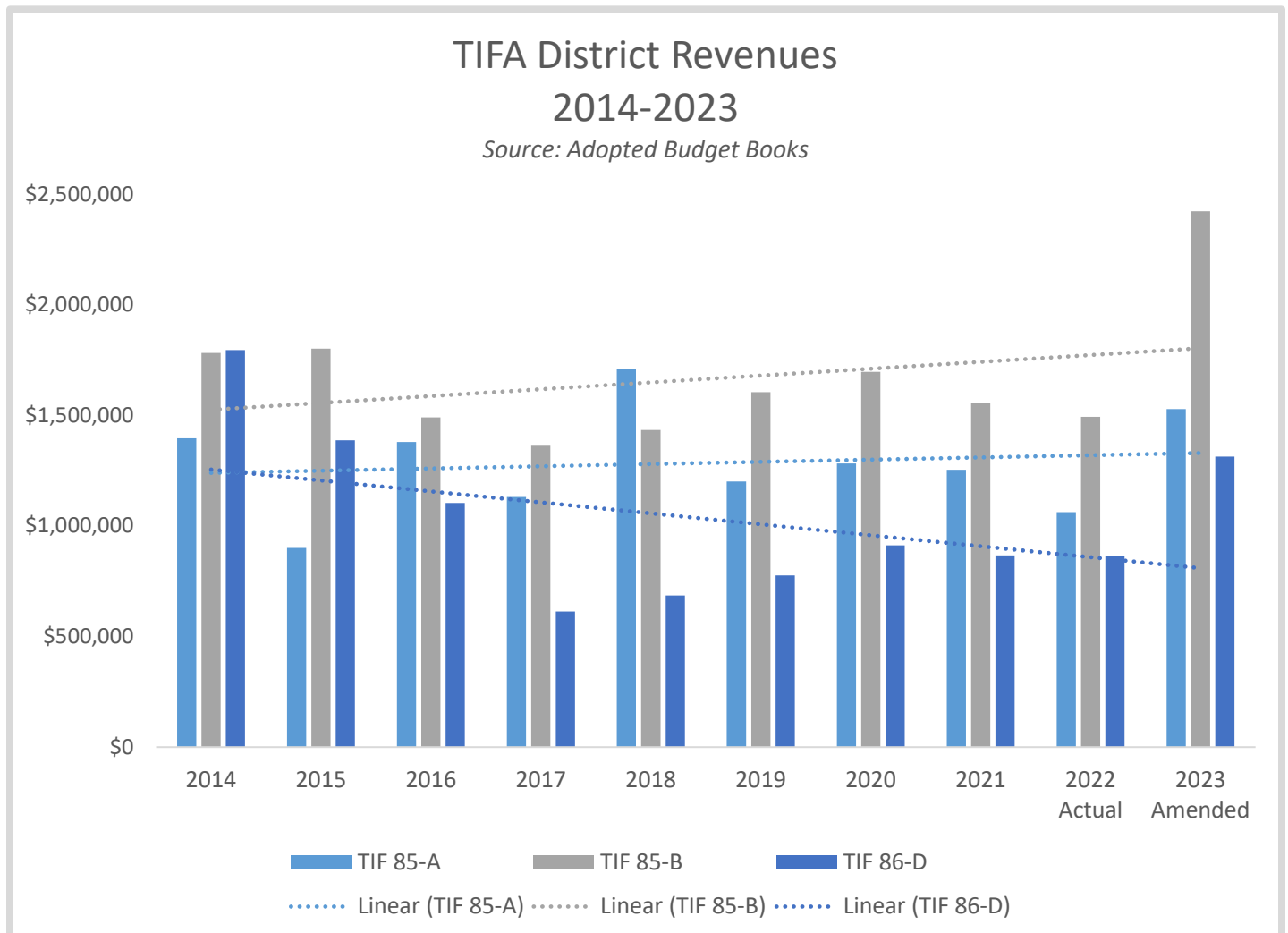
	TIF 85-A	TIF 85-B	TIF 86-D	Totals
<b>Assets</b>	\$26,148,053	\$21,702,833	\$26,181,942	\$74,032,828
<b>Liabilities</b>	\$228,174	\$2,244	\$66,607	\$297,025
<b>Net Position</b>	\$25,919,879	\$21,700,589	\$26,115,335	\$73,735,803
<b>Cash</b>	\$3,360,226	\$14,508,837	\$4,086,589	\$21,955,652

Source: TIFA Financial Statements –December 2023 \*Pre-Audit

## Revenues

All the TIF districts have been impacted by the recession well 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.

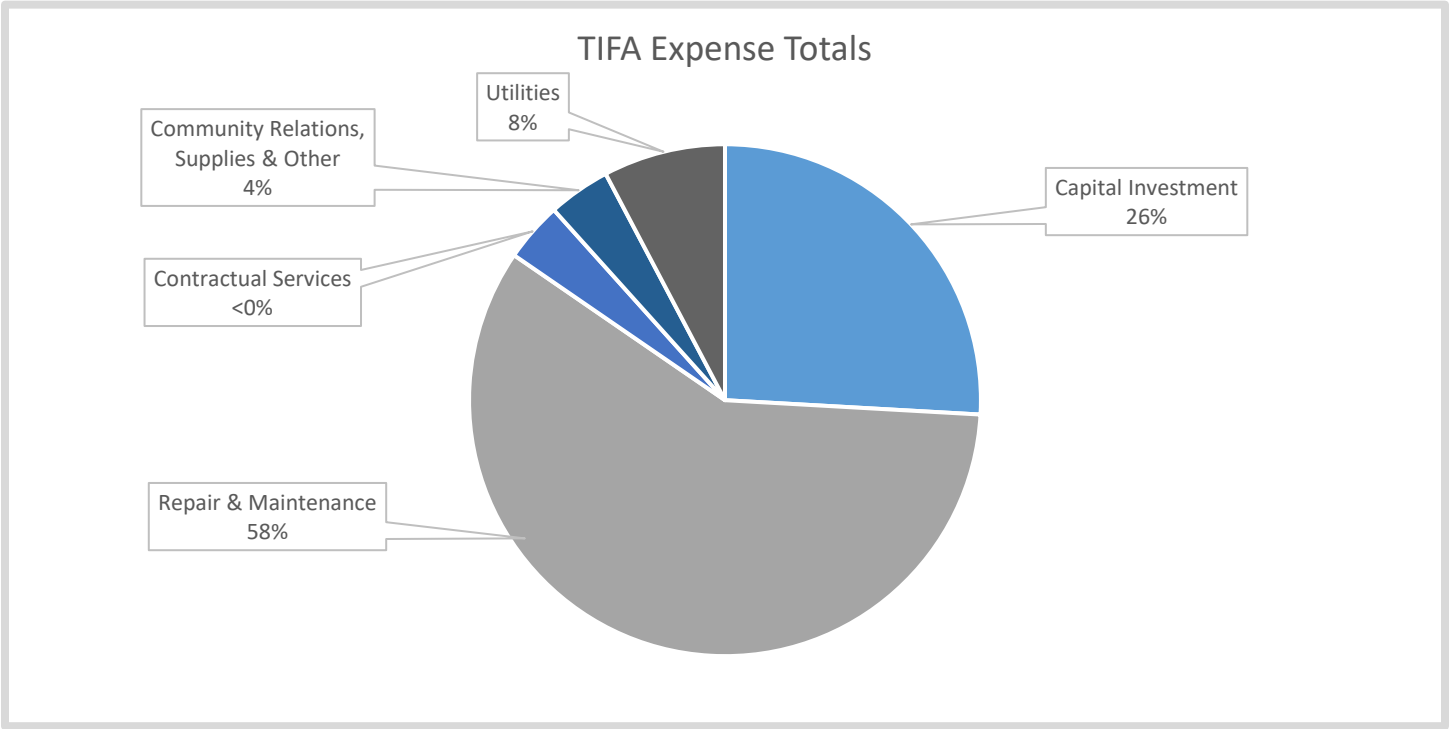
Staff and the Tax Increment Finance Authority Board of Directors understand the necessity to remain fiscally conservative when making policy decisions. As new projects begin in the districts, corresponding tax increment revenue will influence the future budgets and help sustain the future of the Tax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



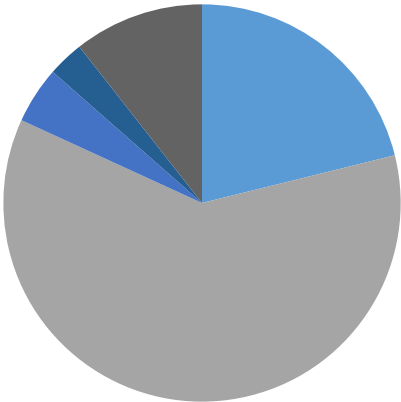
Expense Breakdown

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

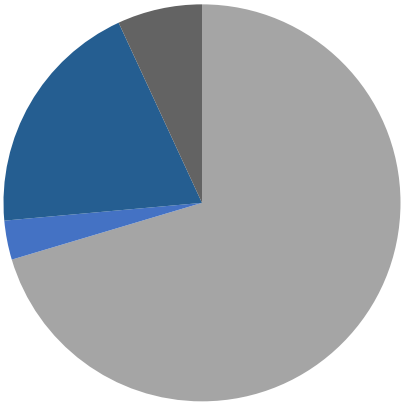
The following charts breakdown the proportion of these expenses in each district and provides an overview of the total of these expenses of all the districts combined.



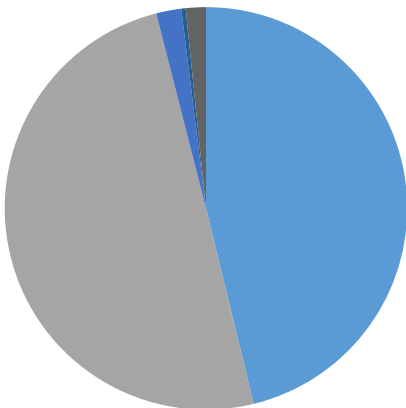
TIF 85-A



TIF 85-B



TIF 86-D



Source: TIFA Financial Statements –December 2023 \*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 2023 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.

## **2024 TIFA Board of Directors**

**Michael Kneffel, *Chairman***

**Ron Moniz, *Vice Chairman***

**Steven Goodhall, *Secretary***

**Dr. Shawanna Fletcher, *City Council Liaison***

**Bob Waltenspiel**

**Dr. Cody Eldredge**

**Paul Gudmundsen**

**Brandon Skopek, *Executive Director***