



2015 Annual Report

Introduction

In 1975, the Downtown Development Authority (DDA) Act was designed to be a catalyst in the development of a community's downtown district. The DDA provides for a variety of funding options including tax increment financing. These finances are used to fund public improvements in the downtown district. The DDA tax increment financing mechanism allows for the capture of incremental growth of local property taxes over a period of time to fund public infrastructure improvements. Therefore, a community can capture property taxes which

would have otherwise been paid to external entities and use them for public improvement projects. Funding large-scale projects can lead to new development opportunities in the district and is considered an amenity to the development community. The DDA legislation requires the creation of a public board, solely dedicated to the improvement of the downtown; The DDA Board of Directors

History of Auburn Hills DDA

Auburn Hills was formerly known as Pontiac Charter Township. The township adopted two ordinances pursuant to The DDA Act created the original DDA: Ordinance #325, January 17, 1983 – Establishment of the original Downtown District; and Ordinance #327, April 21, 1983 – Adoption the Tax Increment Financing and Development Plan for the Pontiac Charter Township DDA. Although adopted and enacted, the DDA never captured any money from tax increment financing and eventually dissolved as TIFA legislation became popular later in the 1980's. The TIFA and its corresponding districts became the primary economic development focus in Auburn Hills, and TIF District 85-A follows the same boundaries as the original DDA District. In 2002, the small downtown area at Auburn and Squirrel was revitalized as the "Village Center" with impressive streetscape improvements. Since that time, businesses and development has thrived in downtown and continues to grow. As mentioned, the core downtown falls under the jurisdiction of TIF District 86-A. Auburn Hills' leaders saw the desire to expand Downtown to accommodate the growing number of multi-generational families and influx of college students in the community. Therefore in 2013, the City began researching and designing a new DDA District for the extension and continuation of Downtown Auburn Hills to the North, East and West of the core.



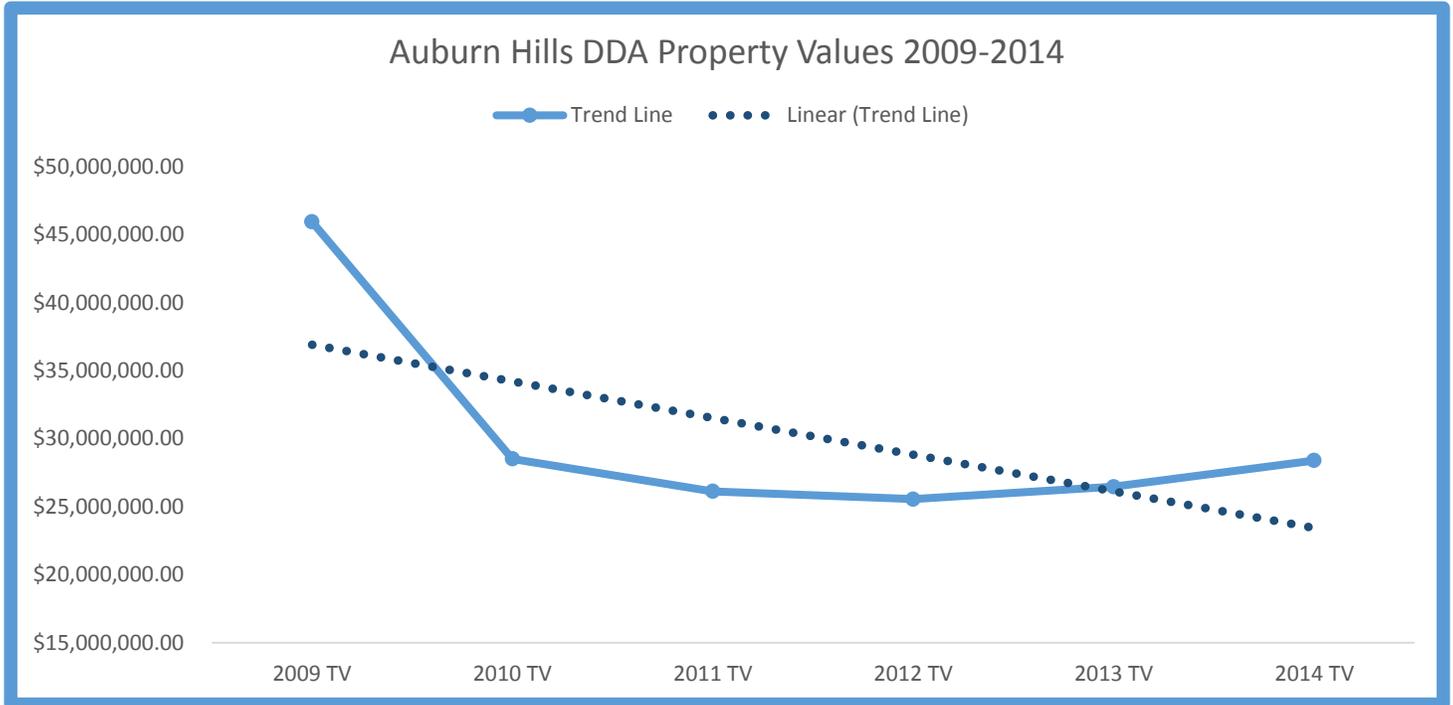
March, 2001



July 2015

Reinstating the DDA

The Great Recession caused a sharp decline of property values in the DDA district. This provided an opportunity for the community and allowed the City to strategically purchase property for future redevelopment. Tax increment financing allows for capture of the increase in value of a property. Therefore, when Auburn Hills purchased a property, the taxable value became \$0, allowing for the largest possible tax increment revenue capture upon the property's redevelopment. The boundaries of the DDA include parcels the City purchased in foreclosure during the Great Recession. Decline of property value in the DDA directly relates to the DDA legislative provision of halting the deterioration of property value in the district.

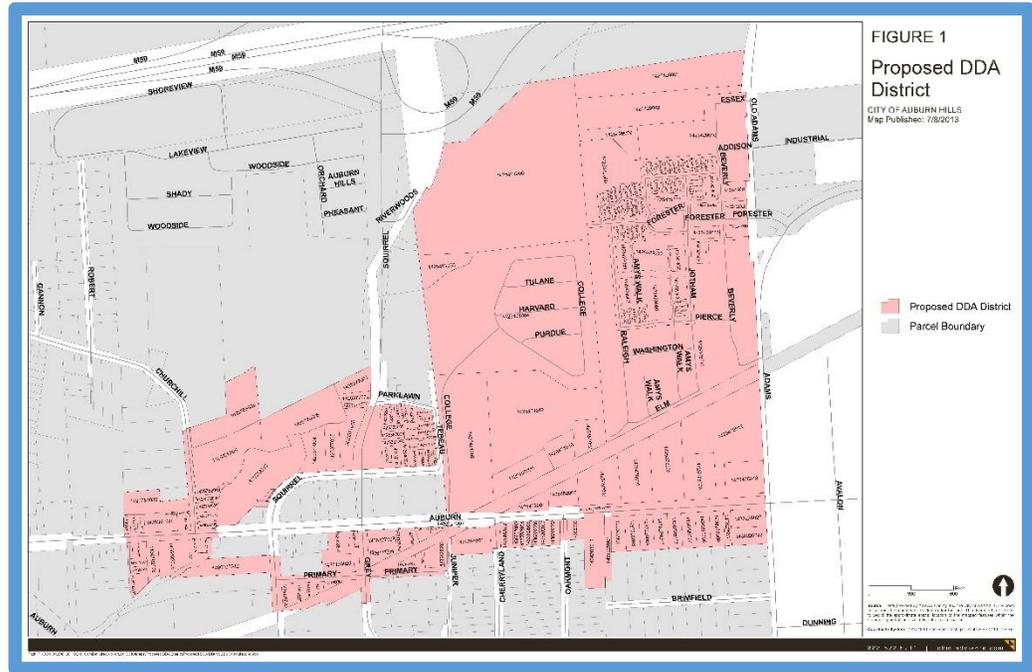


Reinstating the Auburn Hills' DDA required a variety of phases along with cooperative governance. Staff successfully negotiated a contract with Oakland County for tax increment revenue capture in the Auburn Hills' DDA for a fifteen (15) year plan with 50% share back to external taxing jurisdictions. This also included a sunset provision of County tax capture in the three existing TIF Districts. These contracts align, and all four districts utilizing tax increment financing and capture of County taxes will expire at the same time. Having the DDA is a positive mechanism for developers because the capture of revenue allows Auburn Hills to maintain and preserve infrastructure. The Hyett Palma 2009 Downtown Economic Study indicated that the Auburn Hills' community longs for more rooftops and density in and around its downtown. The creation and expansion of the Downtown exemplify Auburn Hills' commitment and dedication to making the community an age friendly and walkable environment for generations. The City is committed to participating in and utilizing the tools that Oakland County Planning and economic Development provide through Main Street Oakland County and the National Main Street program to help track the goals and mission of the DDA, and understand strengths and weaknesses of the DDA for continuous and optimal improvement.

On October 20, 2014 the Auburn Hills' City Council formally amended the boundaries of the DDA and created the official Downtown District. Additionally, on October 20, City Council appointed a DDA Board of Directors and DDA Citizens Advisory Council to assist in formulating the Tax Increment Financing and Development Plan for the District. Over the course of seven months, the boards worked together to develop cohesive plans that encompass the vision of Downtown Auburn Hills in accordance with the City's Master Plan, Riverwalk Master Plan and Economic Study. The Tax Increment Financing and Development Plan for the Auburn Hills DDA was

recommended by the DDA Board of Directors on April 28, 2015; recommended by the Development Area Citizens Council on May 15, 2015; and received final approval by Auburn Hills City Council on May 18, 2015.

On May 6, 2015 the Oakland County Board of Commissioners unanimously adopted Resolution #15116 – Participation in the City of Auburn Hills Downtown Development Authority



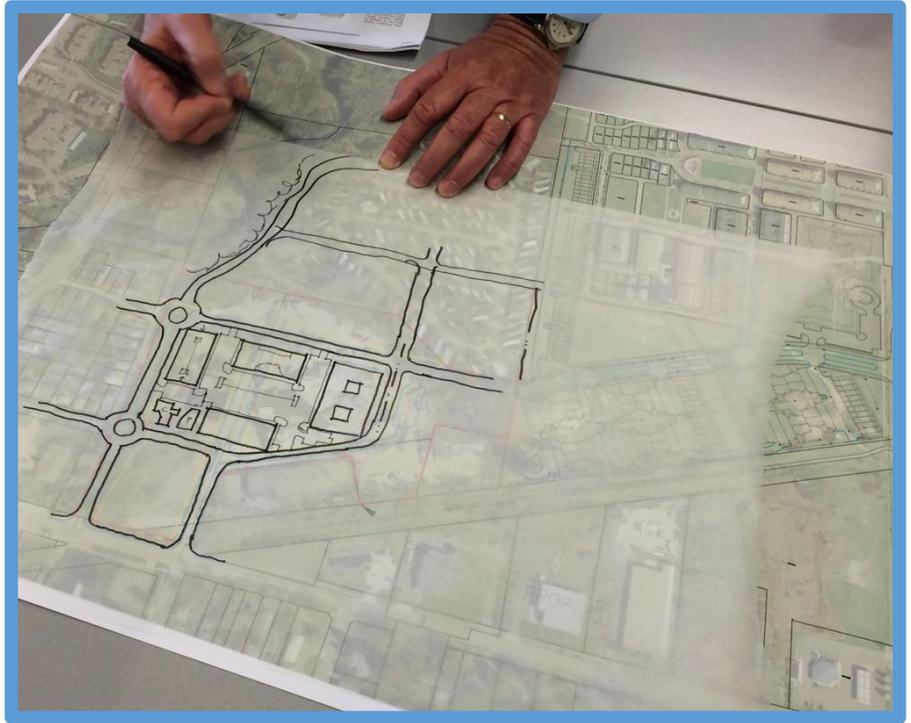
Goals and Objectives

The DDA Board of Directors spent their time together in 2015 getting to know each other and creating their goals to work towards in the future:

- 1) Establish reasonable development opportunities and attract a variety of both public and private interests.
- 2) Accommodate mixed uses within the DDA district to continue the retail and residential component and create a continuum of activity to the east and west of the core downtown as driven by developer demand.
- 3) Provide a diversity of experiences and views that will appeal to all ages of the permanent community, business community, college community and visitors.
- 4) Link the DDA District with the river and the park systems through walkable, pedestrian friendly, and green space enhancements.
- 5) Encourage events within Downtown in ways that create community excitement through increasing involvement and public ownership of the events and nightlife.
- 6) Improve wayfinding in Downtown Auburn Hills for both foot traffic as well as automobiles. Establish Downtown as a destination through enhanced signage and branding.
- 7) Establish facility designs that reflect the character of Downtown and promote compatibility between new and existing developments.
- 8) Improve the overall business climate of the DDA District through planning, promotion and strategic coordination of activities and implementation of improvement projects.
- 9) Foster cooperation between the DDA, City staff and officials, residents and our partners at Oakland County, including the Main Street Oakland County downtown program.

Future Outlook

With an estimated day-time population over 50,000 within a two mile radius of Downtown Auburn Hills it is important to attract those individuals to the community during lunch and after work. The DDA Board of Directors will continue to work towards it's the established goals. As tax increment revenue becomes available for use, the DDA will become the event and marketing machine for all of Downtown Auburn Hills. The Board will work to drive private interest and developments within its designated district and expand Downtown Auburn Hills to the East, West and North of the current commercial core. In 2016 we will establish baseline data measurements to continually monitor our successes into the future and aid in the overall performance of the DDA.



2016 DDA Board of Directors

Kevin McDaniel, *Mayor of Auburn Hills*

Nate Spurlin, *Chairman*

John Young, *Vice Chairman*

Kathy Genautis

Dan Gliniecki

Cynthia Hutchison

Al Travnikar

Steven Volk

Dawn Wise

Samantha Mariuz, *Executive Director*

