



# **2017 Downtown** **Development** **Authority** **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.

## **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.

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' 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 investment and expansion in the district. Many aspects of the Hyett Palma Downtown Economic Study have been complete, or are in the project pipeline. This living document remains extremely relevant for Downtown planning. Building Downtown through the study and our residents' vision will be an incremental process, and perhaps take decades come to full fruition.

## 2017 Summary

In January, 2017 Downtown Auburn Hills was accepted into Main Street Oakland County as an affiliate member. Over the course of the year, members of MSOC staff have led the Downtown Development Authority through a series of trainings. The first course, Main Street 101, focused on the Board Member's roles and responsibilities.

The Board continues to work closely with the Tax Increment Finance Authority Board of Directors regarding the management of Downtown as most of the commercial core of Downtown is within TIF District A. Main Street Oakland County also held a joint meeting with the Auburn Hills Downtown Development Authority and Tax Increment Finance Authority in August 2017. At the joint meeting, Oakland County staff presented Board Members with Auburn Hills Market Data Research. They recommended that the first step in a proper business recruitment campaign is completely understanding all of the businesses in the core downtown currently. Staff completed a business inventory in November 2017. Knowing which businesses are available for lease, or purchase and the square footage of buildings along with other pertinent information when making a business decision has greatly helped when speaking with potential restaurant and commercial clients considering Downtown for their new location.

### EVENTS:

From July to October, the Downtown Development Authority sponsored an event every other Sunday evening called Rolling in the Hills – genius name created by one of the community bike ride participants. This event was modeled after the Detroit Slow Roll. It invites riders of all ages and skill sets to join together for an hour and ride around town to get a glimpse of different parts of Auburn Hills. Ridership throughout the season decreased from 2016 even with increased promotion of the event.

Throughout the summer and fall, the DDA helped promote some smaller events held in Riverside Park including two boot camp style workouts, smoothie tasting and yoga. Many people who attended the event had never been to Downtown Auburn Hills before but after being there discovered that they can reach our parks on the Clinton River Trail. Many stayed around after the fitness portion of the event to have breakfast Downtown. The fitness events were a cost effective way to introduce new people who are already members of an established fitness community to Downtown. Most of the promotion was through social media platforms, which is the preferred method of communication for many fitness clubs.



Also in July, the DDA hosted a Downtown Art Walk DIA Launch Party. The DIA Inside | Out program selected Downtown Auburn Hills as a destination for its summer installation. When the paintings were installed Downtown, the DDA sponsored a kick-off party. Those who registered and attended the event walked around town with a Docent from the DIA who stopped at each piece of artwork and gave a brief presentation. The event drew 24 people. Those who pre-registered, and were of legal age, were able to receive a free big pour at Michigan by the Bottle. Some stayed Downtown to have dinner, or attend the concert in the park. This was a great event because it aligned with other things happening in downtown. It captured upon an audience that

was already in the area and kept them in town for a longer period of time.

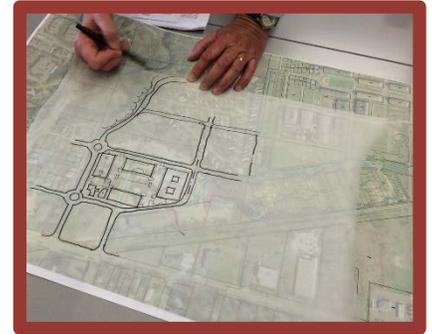
In December, the DDA sponsored its first Holiday Craft Show, Artisans on Auburn. 2017 was the first year the Auburn Hills Community Center did not host a craft show. Staff was able to use contacts from the Community Center to build its list of vendors. The goal was to have 20 craft vendors at the University Center. The event would then replace the one lost at the Community Center and also promote Downtown. The show exceeded its goal and hosted 22 vendors and had 225 people attend-which staff believes is a great turnout for the first significant snow of 2017.

With greater promotion, merchant engagement and cross promotion and Board Member involvement, Downtown events and businesses will continue to grow well into the future.

## 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. As tax increment revenue becomes available for use, the DDA will become the event and marketing mechanism for all of Downtown Auburn Hills.

In 2018, we begin to see the shift in marketing and promotion as the DDA becomes the sponsor of the Summer Downtown Music Series. The Board works 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. Moving into 2018, the DDA and Downtown Executive Committee will work to drive engaging downtown events and establish baseline information to monitor and measure the successes of Downtown and the overall performance of the DDA. It will be a challenging year with many new residential construction projects and road reconstruction in Downtown but the DDA is committed to driving positivity and prosperity Throughout Downtown.



## 2018 DDA Board of Directors

**Mayor Kevin McDaniel**

**Nate Spurlin**

**John Young**

**Kathy Genautis**

**Dan Gliniecki**

**Jean Jernigan**

**Al Travnikar**

**Steven Volk**

**Dawn Wise**

*Samantha Seimer, Executive Director*

