2015 Annual Report

Introduction

In 1980, the Tax Increment Financing Authority (TIFA) Act was established 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 amount established at the time a Tax Increment Financing (TIF) District is created. Auburn Hills has three TIF districts; 85-A, 85-B and 86-D. These districts are managed by the Tax Increment Finance Authority Board of Directors. The Tax Increment Financing 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 in the municipality, and the impact of growth in the development districts. They develop long range plans as well as preservation and planning initiatives through the use of matching grants and strategic design and improvements.

Summary of 2015

Throughout 2015, TIFA experienced a variety of changes, including a transformation in leadership after a fourteen-year tenure by Mr. Tanghe. In April 2015, Mr. Grice was appointed to TIFA Executive Director and furthers the vision and commitment to the TIFA Board with the tradition established before him. Additionally, the TIFA Board of Directors approved a resolution for the creation of the Director of Authorities position. This individual is responsible for the three economic development authorities within Auburn Hills and will begin early 2016.

The TIFA experienced the effects of the economic downturn just shy of a decade ago and is currently progressing strategically through the recovery era. Tax values within the development districts have declined causing the Board to take a conservative financial perspective and approach the future with strategic spending and a shift into the stabilization and preservation of its resources. The influential vision of the Board attributed to the completion arguably Southeastern Michigan’s greatest infrastructural asset. Michigan’s first-ever Diverging Diamond Interchange (DDI) came to fruition through a $4 million dollar contribution from the TIFA. Modern, safe and tremendously efficient, the DDI is hailed as the future of transportation and significantly impacts the 100,000-daily motorists traveling the I-75 stretch of highway through Auburn Hills.

TIFA works diligently to actively market properties in the core downtown area to create higher residential and retail density and to generate more walkable traffic throughout the city. Into the future, the Board and its leadership will continue to look for strategic partnerships with local partners and the college community to establish greater connections to the businesses and individuals in which the Tax Increment Financing Authority serves.
Revenues

All of the districts have been effected by the Great Recession. TIF Districts 85-A and 85-B remain more consistent, whereas TIF District 86-D experienced a dramatic decline FY2012 and FY2013 and is beginning to slowly increase FY2014 and FY2015. Staff and the TIFA Board of Directors understand the necessity to remain fiscally conservative when making decisions. As new projects begin in the districts, corresponding tax increment revenue will influence the future budgets and help sustain the future of TIFA.
Expense Breakdown

The most impactful expenses and budgetary constraints on TIFA come from the following areas: capital investment, repair & maintenance, staffing, events & community relations and utilities.

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

Source: Account Balance Report – Period ending 12/31/2015

*Pre-Audit Report 1/13/2016
Conclusion

The progress that TIFA has made throughout 2015 are a direct product of the Board’s steadfast dedication to furthering its vision and mission even through difficult budgetary times plagues by the Great Recession. In the future, TIFA will work closely with Auburn Hills’ newly formed Downtown Development Authority (DDA) as the two economic development entities share borders and city-owned property. The successes of the TIFA Board of Directors will be integral in helping guide the DDA Board of Directors. These two authorities will work close in the strategic planning of Auburn Hills. As the community continues to build-out, the TIFA Board will continually work to preserve and maintain community assets and host a greater number of events for resident to enjoy. In 2016, the Board will work to establish baselines for measuring the success of the districts and assessing where there is room for improvement. The tradition of leadership that has been established since the 1980’s will continue to be the guiding principal for TIFA to establish greater partnerships with the business community and seek out greater involvement from Auburn Hills Colleges and Universities.

2016 TIFA Board of Directors

Patrick Hassett, Chairman
David Molnar, Vice Chairman
Steven Goodhall, Secretary
Dr. Patricia Dolly
Carlene Nolan Pederson
Dawn Price
Kaye Thornton

Samantha Mariuz, Executive Director