

**Final**  
**CHARTER TOWNSHIP OF COMMERCE**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Tuesday, August 20, 2019**  
**Commerce Township Hall**  
**2009 Township Drive**  
**Commerce Township, MI 48390**  
**12:00 PM**

**CALL TO ORDER:** The Meeting was called to order by Chairperson Gotts at 12:03PM.

**Downtown Development Authority:**

**Present:** Mark Stacey, DDA Director  
James Gotts, Chairperson  
Dan Lublin, Vice Chairperson  
David Smith, Member  
Susan Spelker, Member  
Brian Winkler, Member  
Steve Matta, Member  
David Scott, Township Supervisor  
Jose Mirkin, Member

**Absent:** Tim Hoy, Member (excused)  
Randy Thomas, Insite Commercial (excused)

**Also Present:** Thomas Rauch, DDA Attorney  
Debbie Watson, DDA Assistant  
Melissa Creech, DDA Secretary  
Molly Phillips, DDA Treasurer  
Matt Schwanitz, Giffels-Webster Engineer  
Dave Campbell, Township Planning Director  
Simon Rubin, Insite Commercial

**Item 1: Approval of Minutes**

**MOTION** by Lublin, seconded by Mirkin, to approve the Regular Meeting Minutes of July 16, 2019, as presented. **MOTION CARRIED UNANIMOUSLY**

**Item 2: Public Comments**

None.

**Item 3: Insite Commercial Report**

In Randy Thomas' absence, Director Stacey provided an overview of the Insite report submitted in the DDA Board's packet.

- Parcels A&H – Shapiro's Barrington development; They're onsite working every day. We should be seeing the cement plant going up. The roads are cut in and they're starting to pack them down to prepare for the cement.
- Parcel B1 – Aikens, Five & Main; We have been in contact with Aikens, the RCOC, DTE and Walmart working on final issues to get that ready to close. We have nothing new to report that is problematic, other than what we already knew about. We are shooting for the closing date that is required within 90 days of the August 1<sup>st</sup> extension. I don't foresee those issues being something that will significantly impact us.
- Parcel B2 - Granger, First & Main; I have not seen anything back. Mr. Campbell, have we heard from them on their second building?

Dave Campbell – Not since they came to the Planning Commission and got some comments.

- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; We received a partial LOI in on Friday night about 5pm. This is a known developer who owns property in the Township and who has a track record of developing nice projects. At this time, I do not have the drawings or layout for you, but Randy and I will be working with that developer over the next 30 days to bring that into this Board. It is our intention to only allow a capstone-type development as that is the entry to the Township. This site is not just price; it's also quality of the development which has always been a key concern for that piece of property. That does have some significant ingress/egress issues which hopefully can be overcome. We'll have more to report at the next meeting.
- Parcels D&E - Pulte, Merrill Park; If there's one lot left in there, I'd be surprised. Basements are in, roofs are on and they're finishing cleaning up. It looks wonderful. Take a drive through if you get a chance.
- Parcel F – The acreage in front of the Township Hall; Nothing new to report.
- Parcel G - Wyncliff; Done and nothing to report.
- Parcel I – BBI Holdings, Gilden Woods; North of the Township Hall; Nothing new to report.
- Parcel J1 – 2.38 acres on the hard corner of Oakley and Haggerty; Nothing new to report.
- Parcel J2 - NorthPoint, Beyond Self Storage; Nothing new to report.
- Parcel K - The orphan piece across the street; Nothing to report.
- Parcel L - 1.8 acres on Haggerty Road; Nothing new to report.
- Parcel M&N - These are the two out-lots that are being retained by the DDA.

Director Stacey – Obviously working with Bruce is our Number 1 goal during this time frame to get that piece of property ready to close. He did make all of the payments on time and executed the contracts. We have received money for the DDA and for the Township for the extensions. He realizes he has a very short time window to get those issues taken care of.

David Smith discussed the light being negotiated at Walmart, future development at Walnut Lake Road, and how it may significantly help the traffic congestion at Parcel C. Discussions continued regarding ingress/egress for Parcel C, the traffic signal, and progress with the RCOC and DTE for the Aikens project. Supervisor Scott explained that DTE is committed to doing \$10 million in upgrades at the Hancock Station on Haggerty, next to Meijer, which will service the entire area.

#### **ITEM 4: Director's Report**

- **Updates on Developers - (Covered above)**
- **MTT Judgments – None**
- **HOA Items –**
  - **HOA Budget –** 2019 Approved; Reviewing 2020, which was kept the same for the DDA budget, although our portion will be reduced after the closing.
  - **Dues –** All current
  - **Lighting - CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene**
    - Last month, we were getting the rope lighting installed, which we did. When we turned it on, we found one strand was defective. It had to be returned under warranty to the manufacturer. The other strand was functional.
    - Once we had the rope lighting on, we realized we had power issues. The power box for the tunnel is located up here at PGA drive. It runs

down the side of Martin Parkway to the tunnel. When we turned it off 3-4 years ago, it was working fine. During that time, it was damaged. The HOA contacted Shaw Electric. They came out and dug up the buried line. They discovered that it was hit by AT&T when they put in their lines. Our cable conduit shows signs of being hit by directional boring. We have this documented and met with Giffels and legal counsel to review it. We will go back to AT&T to seek recovery for the HOA. The cost to repair was estimated at \$12,500 to start, to dig up and replace thousands of feet of wire, and to repair damage to the conduit. In the process, they discovered other areas of damage, so the final cost will be more than the estimate.

- The good news is that we have the power back on. The one strand of rope lighting looks stunning. Rather than being an institutional setting, it's now bathed in what looks like moonlight. It looks really cool. Once the second strand is reinstalled, it will be wonderful.

Discussions continued regarding additional details of the electrical damages, expenses, documentation, and the recovery process. Engineer Schwanitz noted that with this type of a circuit, you don't splice. When there is damage, you have to get a whole new run installed.

- **Landscaping - United Lawnscape, Brian Sparks**
  - The pump is up and running so everything is being watered and looking good.
  - We did have trees down on the trails near Walmart, reported to us on July 24<sup>th</sup>. We hired Westside tree removal for approximately \$1200 to remove the trees. They did a good job and it was a quick cleanup.
  - We have requested that United spend 40 man hours cleaning up the east side trails again this fall. That is at our standard rate of \$55 per hour.
  - We met with a company to discuss phragmites treatment. Matt will be addressing the proposal under the engineering report.
- **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
  - Our pump is repaired. The cost was \$5500.
  - We have approximately \$12,000 into repairs this season, which is a little bit higher than usual.
  - The system is up and running. The mainline was also repaired, along with sprinkler heads being replaced.

David Smith asked if it is a dual system, with a pump to the pond, that also connects to municipal. Engineer Schwanitz stated that there is no municipal connection. It would not be hard to do; it would just be expensive for city water.

- **Other**

- **Graffiti**

- Who knew graffiti removal would be as expensive as it is?
- We've had significant problems underneath the bridge; multiple graffiti attacks which were reported. It was so offensive that we actually had Maintenance go out and paint over them.
- In-Home Window Cleaning performed the power washing to remove the graffiti on July 26<sup>th</sup>. They brought out a power washing unit that

had a separate tank, as we don't have a water source there. It needed to be hot water to work with the stripping chemicals.

- The bill was \$2800 to the HOA.
- We are working on deterrents and monitoring systems to find a solution to prevent this in the future.

#### **Item 5: Attorney's Report**

Attorney Rauch – We continue to work toward the Aikens closing. The title company has provided a proforma policy for Bruce's attorney. I have not received feedback from her yet. As we get closer to the closing date, we will continue to prompt Bruce's team to keep them motivated. Other than that, it is relatively quiet at the moment.

#### **Item 6: Engineer's Report**

Matt Schwanitz, Giffels Webster – Mark asked me to run through the phragmite removal contract. First, does everyone know what a phragmite is?

David Smith – It's an invasive species.

Matt Schwanitz – It's in the grass family, it's an invasive species. It can be 2" tall or it can be taller than my reach. A lot of people think it's cattails. A cattail marsh is a very complex biology with tons of species and wildlife in it. Phragmites virtually choke out all other wildlife, even some of the insects that you find in wetlands and uplands. There's absolutely no habitat value. As the phragmites mature, especially in a wetland complex, they start affecting other things. They keep growing up into the uplands too. They're not restricted to the wetlands. They're destructive. In fall, the die off happens. Come spring and spring rains, that deadfall ends up in storm outlets and pipes. They will clog the drains and they're expensive to remove. Costs and aesthetics are the two main factors.

Mark solicited getting this problem addressed in the open space belonging to the HOA. The proposal is for treatment of 117 acres for \$13,000, which seems fair and reasonable. This will only be for treatment of the open space and they would not be going into the sub associations. As part of the original DEQ wetland permit on the entire project, we had a 5-year monitoring requirement where we had to keep them under control and eradicate. That was successful, but they're now slowly coming back.

Discussions continued regarding issues with phragmites, the treatment process, ongoing annual treatments, contract pricing and renewal for future years, aesthetics and environmental concerns.

Director Stacey – Now, this is an HOA item. It's not a DDA item. I'm looking for direction from this Board as to how you feel about having this done for our 34% of the HOA. I then have to go back to the other HOA members and present the case to them so they can also vote.

Personally, I have always been a big believer in doing maintenance as opposed to letting it go, because ultimately you will spend the money either way.

This treatment company currently treats Long Park, and has worked for the Township for a number of years. This is their specialty. There is a very short time window for treatment; it needs to be done between September 1<sup>st</sup> and the end of October, before the first frost.

Matt Schwanitz – At that time, the plants are declining. I'm not a plant biologist, but they will actually take these chemicals in from the root system.

Supervisor Scott – I am Chairman for the Oakland County CISMA. We were awarded \$70,000 from the RCOG, so that we're able to contract out treatment of phragmites for road right-of-

ways. In Commerce Township, we are lucky. Even though we have some very large monoculture areas, we have probably 3 miles less of roadway infestation than the average in other townships in Oakland County.

I would suggest that you get an additional bid from another company if possible; that would be PLM. They were awarded the contract to treat southwest Oakland County. They did all of the roadways. We chose them as the preferred vendor for Oakland County Parks & Recreation. They gave us a fixed rate price of 23 cents per lineal foot for the roads. They will carry over into other projects and into private property. They've been very cost effective and very effective. They use a dye treatment system, so you know they've gotten every plant because there is a blue stripe on the stalk. PLM uses airboats, helicopters and other physical and mechanical equipment to treat.

Director Stacey – I believe Jeff Knox stated he would be using an 8-wheeler, that is a water and land type vehicle. They would be spraying with the dye treatment also. We don't have the infestation that Long Park has on the water. That's what we're trying to prevent. This is an HOA item, so I'm not looking for approval. I'm looking for direction from this Board.

Susan Spelker – As far as to treat or not to treat, I always agree with maintenance. At least we have an idea of the cost to treat this and get rid of it. However, as far as subsequent damage if we don't treat, those costs could skyrocket. I am in favor of treatment.

Supervisor Scott – I would carry it a step further and say, you're mandated to treat because we included phragmites into our noxious weed ordinance. They are an invasive species, illegal and we will eventually require property owners to clean up their land so it doesn't keep coming over the fence line into ours.

Jose Mirkin – Can you get competitive bids so that we can compare?

David Smith – We don't compare.

Susan Spelker – That's not up to us.

Director Stacey – This is for the HOA. I just wanted to show you the ballpark, and certainly I will go out and talk with those other two vendors.

Discussions continued regarding invasive species. It was noted that a motion was not necessary. The Board Members were in favor of treatment and maintenance to address the phragmites issues.

### **Item 7: Planning Director's Report**

Dave Campbell, Township Planning Director, shared the following with the Board members:

- My report included in your packet offered updates regarding some big pieces of property in Commerce Township that we've had conversations with potential developers about; many, if not most of which are in the DDA. Since I know you all read that report intently, I won't repeat that.
- Just an update on a couple potential projects in the DDA:
  - We had a meeting yesterday with a group that wants to build apartments on 5 vacant acres on the north side of Crumb Road, next to Meijer along Haggerty Road. They want to put in 5 apartment buildings, 20 units per building, for 100 apartments total. They want to do it as a PUD. They want to go before the Planning Commission at their September 9<sup>th</sup> meeting.

- We also had a meeting regarding the former Dick Morris dealership along Haggerty. There is an investor who wants to convert that into a lot of everything – a bar, restaurant, comedy club, kids entertainment, and also a retail market with a gas station component. That would certainly be a significant change to that property. He also wants to get in front of the Planning Commission soon with his concept plan to see if this is viable.

Director Stacey – He has one of those going up already right?

Dave Campbell – It's him and his brother. It sounds like they each run a couple of locations. He said he's got one running in Grand Blanc Township. I'm not sure where, but I believe along Dort Highway somewhere. His brother is building a new one, I believe in Independence Township, at Andersonville and White Lake Road.

Discussion continued regarding the potential development at the former Dick Morris site, what an interesting project it would be, details of the similar development in Independence Township, along with the location, ingress/egress, and traffic circulation.

Dave Campbell – The wave panels are being put up on the pedestrian bridge over M-5 as of one hour ago.

Jose Mirkin initiated conversations regarding traffic studies. He is concerned with traffic as it relates to the new houses being built along Haggerty in West Bloomfield. Discussions took place regarding limitations on widening of Haggerty Road, requirements for upgrades and a new traffic signal at Meijer to be installed by Ivanhoe Companies, and potential regional solutions for traffic issues in the area.

**Item 8: 2020 DDA Budget & Item 9. Finance Committee - Cash Advance, 2019 adjustments**

Director Stacey – I will combine Item 8. with Item 9. Finance Committee. It makes more sense to start off with the advance that was approved at this month's Township Board meeting, because the numbers roll through from there.

Let's pull the budget worksheet, cash advance, and the worksheet to amend the 2019 budget. I did take the cash advance to Township Board. At last month's DDA meeting, I discussed with you the need for a cash advance, due to the fact that Aikens was not going to close on time, and we would need to make our bond payments due October 1<sup>st</sup>. We did not have the final number at that time,

After calculations and looking at the entire picture, the cash advance was determined for this year to be an additional \$2.5 million. That was derived, assuming that Aikens closes after our payments, which we are fairly certain of that.

I have also included the worksheet for next year's cash advance, for 2020, so you can see how it flows through. The first thing I need to do is to get authorization to take the \$2.5 million cash advance for this year.

**MOTION** by Spelker, supported by Lublin, to approve the Cash Advance in the amount of \$2.5 million as presented.

**MOTION CARRIED UNANIMOUSLY**

Director Stacey – Thank you. That now allows us to go into our budget worksheet which is Item 8. This is our 2020 budget worksheet:

- You'll notice that we are projecting a \$50,000 increase in tax capture.
- MTT judgements; we're never sure what those will be.

- We're projecting proceeds from the sale of property of \$1 million. Remember that in theory, if Bruce closes this year, next year we're not sure what we'll sell, but we will have an out-lot that will become available and will become marketable once Bruce is moving forward.
- This does necessitate a cash advance again next year in the amount of \$2 million from the Township, for a total revenue of \$4.6 million.
- Our expenditures will hold very consistently.
- We have cut auditing and accounting in half.
- Township Administrative Charges stay the same.
- Public Relations stays the same.
- Our insurance increases slightly.
- Property maintenance and utilities stay the same.
- You'll see that marketing and promotion was cut in half. We do not have to publish the annual statement in the newspaper after 2019. That saves us over \$1,000. That is a positive of the new rules of Act 57.
- The HOA fees were cut from \$37,000 down to \$20,000 based upon Bruce taking over his piece of property. He will be responsible for those fees.
- Property disposition costs are based upon one parcel selling next year.
- We have principal payments of \$3.75 million, with our interest expense included, and interest payments on the bonds.
- Total projected expenditures next year are \$6.5 million for the 2020 proposed budget.

**MOTION** by Lublin, supported by Mirkin, to approve the Proposed 2020 DDA Budget as presented. **MOTION CARRIED UNANIMOUSLY**

David Smith inquired about the debt and annual deficit. Director Stacey noted that the principal payments have been accelerated.

Treasurer Phillips – Before we refunded the variable rate debt in late March, on that \$34 million, we were only paying \$100,000 a year for the next 5 years, then it was going to jump to \$1.5 million. By the time you got out to 2034, it was \$8 million in principal that we'd be hit with then, which is a scary number when you've sold all your property, and the only thing you have coming in is capture. So, by fixing the interest rate, we have a known figure, and we've pulled a significant portion of the principal payoffs back to the beginning of the loan. The loan was actually opened in 2005, and then refunded in 2008 and again in 2014 with a letter of credit. This year on the new debt, we're going to pay off \$1.89 million of the principal. Next year, I think it's \$1.89 again, then it's \$2 million, then \$2.1. It smooths out that \$34 million over the next 14 years to be something more reasonable.

Discussions continued regarding increasing tax capture, debt repayment, and DDA repayment to the Township after the bonds are paid off, with principal and interest. Dan Lublin asked what the total amount is owed on bonds. Treasurer Phillips replied that it is roughly \$67 million for the DDA. Dan Lublin asked if we still maintain our AAA rating, and Treasurer Phillips confirmed.

Director Stacey reviewed the 2019 DDA Budget amendments with the Board members. Discussions took place regarding property disposition costs.

**MOTION** by Spelker, supported by Lublin, to Amend the 2019 DDA Budget as presented. **MOTION CARRIED UNANIMOUSLY**

**Item 9: Committee Reports**

- A. Finance Committee – (Covered above with Item 8.)
- B. Public Relations Committee –  
Jose Mirkin – I have nothing to report this month. I was out of the country last month and therefore we did not have any meetings.
- C. Marketing Committee –  
David Smith – I don't have anything to add. I think everything has been discussed.

**Item 10: Approval of Warrants and/or Carryovers, Add-ons, Revenue & Expenditure**

**MOTION** by Lublin, seconded by Mirkin, to approve the Warrants and/or Carryovers, Add-ons and the Revenue & Expenditure Report. **MOTION CARRIED UNANIMOUSLY**

**Item 11: Other Matters**

- **The next regularly scheduled DDA meeting is Tuesday, September 17, 2019 at 12:00pm, at which time a DDA Informational Meeting will also be held**
- Supervisor Scott discussed the following with the Board members:
  - Connie Ozinga resigned as the Library Director. She will be seeking employment elsewhere and we wish her well in her future endeavors. We will be posting for a new Library Director.
  - Lieutenant Gerald Schroeder, the Substation Commander, has retired. We wish him well and hope he enjoys retirement. Sheriff Bouchard selected Wendy Reyes as the new Substation Commander. She has 23 years' experience with the Pontiac Police Department, prior to Pontiac being absorbed by the Sheriff's Office. Wendy was the Chief of Police. She is qualified and capable. She was also a graduate of Walled Lake Central. She will be in attendance at our next DDA Meeting.

**Item 12: Adjournment**

**MOTION** by Smith, seconded by Mirkin, to adjourn at 1:11pm.

**MOTION CARRIED UNANIMOUSLY**



Melissa Creech  
DDA Secretary



BANK CODE: DDA  
DDA WARRANT REPORT  
AUGUST 20, 2019

Vendor Name	Invoice Date	Description	Amount
1. ADRISON, NEED & ALLEN	07/31/2019	DDA MATTERS	369.00
2. DEBORAH WATSON	08/14/2019	DDA ASSISTANT HOUR 7/11 TO 8/14/19	1,575.00
3. GIFFELS-WEBSTER ENGINEERS	07/12/2019	MEETINGS AND AIKENS DUE DILIGENCE	1,358.50
	07/24/2019	COMMERCE TOWNE PLACE RE-PLAT NO. 4	5,863.00
		TOTAL	7,221.50
4. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	08/06/2019	PROFESSIONAL SERVICES THROUGH JULY 31, 2019	9,445.10
5. MARK STACEY	08/14/2019	DIRECTOR HOURS 7/11 TO 8/14/19	6,000.00
6. PLANTE & MORAN	07/15/2019	QUALIFYING STATEMENT AND DEBT GUARANTEE CALCULATIO	1,500.00
TOTAL - ALL VENDORS			26,110.60
FUND TOTALS:			
Fund 499 - CAPITAL PROJECTS - DDA			26,110.60

BANK CODE: DDA  
DDA WARRANT REPORT - ADD ON'S  
AUGUST 20, 2019

Vendor Name	Invoice Date	Description	Amount
<hr/>			
1. DETROIT EDISON			
	08/13/2019	2660 E.OAKLEY PARK	89.77
	08/13/2019	3106 MARTIN PARKWAY	86.25
	08/13/2019	2581 LIBRARY DR.	572.86
	08/13/2019	2579 LIBRARY DR. IRRIGATION	395.75
		TOTAL	<hr/> 1,144.63
TOTAL - ALL VENDORS			1,144.63
FUND TOTALS:			
Fund 499 - CAPITAL PROJECTS - DDA			1,144.63