

**CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, July 16, 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 12:00PM.

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
Tim Hoy, Member
David Scott, Township Supervisor

Absent: Jose Mirkin, Member (excused)

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

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Winkler, to approve the Regular Meeting Minutes of June 18, 2019 as presented. **MOTION CARRIED UNANIMOUSLY**

Item 2: Public Comments

Kathleen Okray, 8984 Cynthia Court, Commerce Township – I'm here on behalf of my employer, Herkules Equipment, 2760 Ridgeway Ct, Commerce Township, located across Martin Parkway from this building. We are impacted by how the downtown area is developing. We're rather curious as to what the developments are, and in particular, if there's any concern for the indirect impact this road has on the safety and wellbeing of our business. I'm here just to listen, but we'll probably attend future meetings because we're very concerned with the already precarious nature of the traffic. I know the Township is aware of it. We are hopeful, and while confident in your stewardship, we're still rather concerned about the safety of the people who work for us.

Item 3: Insite Commercial Report

Randy Thomas provided an overview of the Insite report submitted in the DDA Board's packet.

- Parcels A&H – Shapiro's Barrington development; I met with Jim Galbraith last week to get an update.

- This August, he will be putting in the roads which will be concrete. They're putting a concrete plant onsite. They are going to be pouring all the foundations for all buildings, in anticipation of the phase developments.
- Sometime after that period, the clubhouse will be started, and then they will commence building on some of the multi-family properties.
- Roughly a third of the development of Phase I will start this year, so you'll see some buildings go vertical after September.
- They're really happy with the project. They just opened another location in Novi and absorption is good. Because of what's going on here for this proposed development, it will probably be even better.
- They're eager to start. They were delayed well over a year.

Director Stacey – Did he have any discussions about the commercial portion of his property?

Randy Thomas – We've been working with him on trying to acquire a piece for a medical use.

- Parcel B1 – Aikens, Five & Main;
 - Thursday this week is the local Michigan ICSC. Bruce's project is being highlighted as one of the bigger, newer developments. I'm not sure what announcements he will make.
 - We're very close on the market and the theater deals. Those were the first two that he intended on announcing. We will find out where and when that will happen.
 - As far as leasing, there's a lot of activity going on. We've scheduled a flight in August for three retailers coming into town. We've had a half-dozen national retailers fly over the development already, all with positive results.
 - Bruce has a lot of work ahead, but his intention is to continue moving forward and hopefully start construction in the second quarter of 2020. Whether that happens, or it gets pushed to 2021, I can't tell you. There are a lot of things that need to take place. Mark, do you want to explain the 9th Amendment?

Director Stacey – Last Friday, you received the 9th Amendment from Tom Rauch under separate cover. We were approached by Bruce approximately two weeks ago in our standard, every other week Thursday meeting, as we were pushing toward closing on the property.

At that time, Bruce informed us that due to a number of outstanding issues, he would be unable to close and would need a 90-day extension. Obviously, that was not our intent, but Bruce brought up a couple points that he was unable to overcome, with DTE and the RCOC, in the time frame that we were looking at.

We weren't particularly thrilled, but to show his commitment, Bruce agreed to make an additional \$200,000 deposit for the 90-day extension, of which \$175,000 is creditable, and \$25,000 is not creditable as it is for carrying costs. This also necessitated adjustments in the library parcel purchase through the Township. As you remember, the DDA does not own that, but Bruce was going to purchase that piece of property and roll it into the full development to make a continuous downtown.

With those discussions going on, we had to go before the Planning Commission, which we did last week. We have the new 4th Amendment of the condo docs, which does not include the library parcel. We have the new boundaries drawn. We also went to Township Board the next night and presented Bruce's proposal to them; a 90-day extension on both our property and the library, \$50,000 to the Township for that 90-day extension, which counts toward his purchase price, which is now \$2 million instead of \$1.8.

As I explained, our 90-day extension is an additional \$200,000, which is being deposited to allow the developer the time he needs to take care of these matters. Obviously, I would much rather be closing this, however I do think it's reasonable. The commitment of \$250,000 was significant on his part, non-refundable, for a 90-day extension to get through the issues so he feels comfortable at closing. He has clearly stated in the meetings that he has every intention of closing. He has over \$1.5 million into the project currently, between deposits with us, and hard costs in the project. He loves this piece of dirt and he wants the downtown to succeed. The Township Board voted 6-0 to approve the extensions as discussed. We need to also approve this under the Attorney's Report.

Randy Thomas –

- Parcel B2 - Granger, First & Main; Nothing to report. Dave?

Dave Campbell – Nothing to report since they came to the Planning Commission with their concepts of Phase II.

Director Stacey – We received the HOA dues check from Granger/First & Main yesterday.

Randy Thomas –

- Parcel C – The hard corner of Pontiac Trail and Haggerty Road;
 - The last developer who was looking at this parcel considered doing a development similar to what was previously proposed; two 11,000 square foot buildings, and a 6,000 square foot restaurant. He is no longer interested.
 - I would say over the last 30 days, we have had increased traffic and phone calls on this parcel.
- Parcels D&E - Pulte, Merrill Park; Nothing to report.
- Parcel F – The acreage in front of the Township Hall;
 - We still have the dental group. They stay in touch with me. They are awaiting movement on the Aikens parcel.
 - We did have an inquiry from a group associated with Henry Ford. They had also called previously on other land.
- Parcel G - Wyncliff; Nothing to report.
- Parcel I – BBI Holdings, Gilden Woods; North of the Township Hall; Nothing to report.
- Parcel J1 – 2.38 acres on the hard corner of Oakley and Haggerty;
 - We had an initial proposal from Aqua Tots, which has gone back and forth. The offer was agreed upon in concept, subject to the LOI terms. I spoke with them on my way here today. They currently have two projects coming online at once, here in Commerce and another in Berkley, but can only do one at a time. He is advocating and he is coming to Commerce Township one way or another. He will follow-up with the partners and get back to me.
 - I also followed-up with the daycare group. They still have interest in the site.
- Parcel J2 - NorthPoint, Beyond Self Storage; Nothing to report.
- Parcel K - The orphan piece across the street; Nothing to report.
- Parcel L - 1.8 acres on Haggerty Road; Nothing to report
- Parcel M&N - These are the two out-lots that are being retained by the DDA within Bruce's development.

Item 4: Director's Report

- **Updates on Developers** - *(Covered by Randy)*
- **MTT Judgments** – We had a small MTT judgment with Costco.
- **HOA Items** –
 - **2019 HOA Budget** – Approved
 - **Dues** – All paid and current
 - **Lighting** - **CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene**
 - Rope lighting is scheduled to be installed this Friday.
 - **Landscaping** - **United Lawnscape, Brian Sparks**
 - The site is looking better.
 - We had approximately \$7,000 worth of shrubs replaced.
 - **Irrigation** - **Michigan Automatic Sprinkler, Mike Rennie**
 - Within a week after planting the shrubs, our pump system went out.
 - Michigan Automatic brought out their pump repair people, and they informed us that we need a new pump as the drive is dead. This will be a cost of \$5,400, an HOA item. I have ordered that and it will be installed in the next couple days.
 - We've had on and off rain so the trees and plantings still look good.
- **Other**
 - **Graffiti**
 - In addition, we have a problem with graffiti in the tunnel under the Martin Parkway bridge. We've had two attacks now. July 2nd I was informed of the second incident, which involved significant negative verbiage and pictures. I was unable to get anyone out to clean it up over the holiday weekend, but I was able to get someone to spray paint over the worst portions.
 - We found a contractor who is capable of graffiti removal, which requires special chemicals, hot water and a water truck because there is no water source. We have lined up a contractor who quoted \$2,500.
 - We are concerned with finding a way to deter future issues with vandals, and we will work very closely with the Sheriff's Department on this matter.
 - **Phragmites**
 - We have setup a meeting with a phragmites specialist.
 - We will be looking to arrange for the fall treatments to alleviate the issues in the ponds. This is a multi-step process over a number of years.
 - We were referred to this contractor from the Parks & Recreation Department and they come highly recommended.
 - **RCOC**
 - We're still working with Aikens on the roundabout and the curb cut permits he needs from the RCOC, along with other issues as we get closer to closing.

David Smith discussed treatment of invasive species with Matt Schwanitz. Matt noted that when the original DEQ permit was acquired for wetland mitigation and construction of the stormwater system, that permit was to eradicate and monitor. There's a 5-year requirement, but that's long since expired. It's not cheap. Matt also described the herbicide treatment process, which generally takes 3-5 years to eliminate the phragmites. Discussions continued regarding invasive species management.

Item 5: Attorney's Report

- Aiken's 9th Amendment to Sale Agreement & 4th Amendment to Master Deed

Attorney Rauch – As Mark indicated earlier, last week I provided you with copies of the 9th Amendment to the master deed, to accomplish what the developer requested, which is to remove the library from Phase I of his project.

You may recall that the master deed was proposed to be amended around the end of the year. At that time, the developer had specifically wanted to have the library as part of his first phase, and the condo docs were drafted by Kim Shierk, our condominium counsel, and the B-docs or survey documents were prepared by Giffels for Bruce. As you know from what Mark has indicated, the plans changed again. In this case, Bruce requested that the library not be included and that he get some extra time for the library purchase option. That is contingent upon closing with the DDA.

The 4th Amendment that was approved last December was never fully implemented as it was waiting for Bruce to close on Phase I. In the last month, we revised the 4th Amendment to exclude the library parcel.

Township Board has approved a 90-day extension, and Bruce is paying \$50,000 to the Township to obtain that extension to the option agreement. That is non-refundable, but creditable on his option price. Concurrently with it, and subject to it, is the 9th Amendment to the Sales Agreement, which indicates that he was obligated to close by July 31. His deposits were all hard, and he asked for another 90 days that is consistent with the same schedule, the option agreement and the 90-day extension. He is increasing his deposit by \$200,000, but only receiving credit on his purchase price for \$175,000, with a non-refundable, non-creditable \$25,000 deposit.

There were two documents in your package, and I would recommend that you consider two resolutions, one for the 4th Amendment to the Master Deed, and one for the 9th Amendment to the Sales Agreement.

MOTION by Lublin, supported by Winkler, to approve the Aiken's 9th Amendment to Sale Agreement, and the 4th Amendment to the Master Deed, as presented by counsel.

Discussion –

Smith inquired about the costs associated with the Amendment revisions and the extension. Director Stacey explained that the previous Amendments were never filed, and the costs of these current revisions are being paid for by the developer through his escrow account which is held by the Planning Department. Attorney Rauch confirmed that the developer is paying for the cost of the Amendments.

MOTION CARRIED UNANIMOUSLY

Director Stacey noted that Bruce Aikens could not be present today due to a scheduling conflict. He was here last week in attendance at both the Planning Commission and the Township Board meetings, and his requests were approved by both boards.

- Schedule Informational Meetings

Attorney Rauch – The DDA enabling statute, and all of the statutes for tax increment financing and economic development were merged by the legislature into a single statute, Act 57, which recodified all of the statutes.

One of the new provisions requires that the DDA hold two informational meetings per year. There isn't any guidance on what those meetings are to consist of; however, we recommend that you schedule an informational meeting as either separate, or concurrent, or included within a scheduled DDA meeting. The noticing requirements are slightly different for informational meetings, as we need to notify the taxing authorities whose funds are captured.

I believe that with the way the DDA functions, especially with Randy's report from Insite, I think a tremendous amount of information is already presented at the regularly scheduled meetings. However, I do recommend that you designate two of those meeting dates, or different dates if you wish, as informational meetings, and perhaps in addition to the type of report we get from Insite, you could have the Director discuss general concepts related to this DDA as it has developed over past years.

Director Stacey – I am looking for authorization to hold an informational meeting in September and November of this year so that we can fulfill the requirements. The informational meetings would be in coordination with our regular meetings. We would not do additional meetings.

MOTION by Spelker, supported by Smith, to approve designating informational meetings of the DDA at the 2019 regularly scheduled September and November meetings.
MOTION CARRIED UNANIMOUSLY

Item 6: Engineer's Report

Matt Schwanitz, Giffels Webster reported that they have been assisting with informational requests and attending a few meetings.

Item 7: Planning Director's Report

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

- I think we've covered all things Aikens.
- There are a couple of properties within the DDA that I've had conversations about recently with potential developers.
 - The Fedder property; the vacant parcel on the west side of Haggerty, just north of 14 Mile Road. The developer may want to do some residential and commercial on that site.
 - We continue to have conversations about the Beaumont property at M-5 and Maple. Developers looking at that seem to be considering some type of residential development.
 - We've also had some conversations about the driving range across the street and the potential for redeveloping that site.
 - On the corner of Pontiac Trail and Haggerty, the owners want to do something different there. It might include a gas station, so I've explained that the DDA has avoided selling the adjacent site to a gas station developer because we think it can be a better type of development.
- Hopefully we will see some real progress this week with the wave panels on the pedestrian bridge over M-5.

Eric Nagler, 9065 Campbell Creek Dr, Commerce Township – You've been talking about digging up Welch Road and putting that pipeline in. What is the status of that?

Dave Campbell – You're speaking of abandoning the pump station. That's still something that is going to happen, but it can't happen until the developer of the Barrington project gets their sewer line to that point. From there, the Township will take it and run it up to the pump station, and then the pump station will be abandoned.

Eric Nagler – What is the time frame for that?

Dave Campbell – I can double check with the Township Engineer. Everything I've heard indicates that it will happen this construction season, but maybe more toward the fall than summer.

Matt Schwanitz – I believe that's what Jason said also, this fall.

Item 8: Committee Reports

A. Finance Committee –

Director Stacey – I've been working with the Treasurer on the 2020 budget. I'm hoping to have that back to you next month for your review.

That leads me into discussion of an advance that the DDA will need from the Township. Last year's budget projected that we were going to close with Aikens by the end of this month. That was factored into the advance that we took in March. I will need to go back to the Township Board in August to request an additional advance of at least \$3.5 million. Their meeting is before our next DDA Meeting. I'm not sure of the exact figure at this time, but I will report back to this Board in August for final approval.

MOTION by Lublin, supported Spelker, to approve authorizing the DDA Director to request an advance from the Township Board in August, in the necessary amount as determined by the Director and the Treasurer.

MOTION CARRIED UNANIMOUSLY

B. Public Relations Committee –

Chairperson Gotts – In your packet you have the brief report provided by Jose Mirkin, which I will read for the record.

After a successful Art Exhibition at the Commerce Twp. community library at the end of May, the Public Relations Committee is looking forward to the start of the new school year in order to coordinate, with the art teachers of Walled Lake Schools and the Detroit Institute of Arts, next year event.

That's my report for this month. Jose Mirkin. Chair – Pub.Rel.Comm.

C. Marketing Committee –

David Smith – When it comes to Finance, I really appreciate Molly and Mark. Also, when it comes to the Public Relations, it was the best thing we ever did to nominate Jose Mirkin to the Committee.

Regarding Marketing, it's a little disheartening that we're not going to be closing, but the Aikens project is still very positive. I get the cash flow thing, and these are large amounts of money. He needs to move forward on his engineering and he has applied to the RCOC. We are also concerned with the shortage of electrical power by DTE. The power grid is deficient in this area and it will be interesting to see how that works out with Aikens.

Item 9: Approval of Warrants and/or Carryovers, Add-ons, Revenue & Expenditure

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

Discussion –

Smith and Stacey discussed the \$5300 expenditure for the assessment of the Pontiac Trail roundabout, and the report provided to the RCOC. **MOTION CARRIED UNANIMOUSLY**

Item 10: Other Matters

- The next regularly scheduled DDA meeting is Tuesday, August 20, 2019 at 12:00pm.
- Randy Thomas stated that he would not be in attendance for the August meeting.
- Supervisor Scott discussed potential for a new Oakland County Sheriff's substation on PGA Drive. If this moves forward, there may also be a Secretary of State's office next to the substation, along with an advance life support ambulance service. These efforts will embrace the citizens of Commerce Township and the DDA and better serve the needs of the growing community.

Item 11: Adjournment

MOTION by Lublin, seconded by Spelker, to adjourn at 12:48pm.

MOTION CARRIED UNANIMOUSLY



Melissa Creech
DDA Secretary

07/10/2019 09:23 AM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 07/16/2019 - 07/16/2019
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: DDA
DDA WARRANT REPORT
JULY 16, 2019

Vendor Name	Invoice Date	Description	Amount	Check #
1. ADKISON, NEED & ALLEN	07/02/2019	DDA MATTERS	870.50	
2. DEBORAH WATSON	07/10/2019	DDA ASSISTANT HOURS 6/31 - 7/10/19	800.00	
3. FLEIS & VANDENBRINK	06/18/2019	PONTIAC TRAIL & M-5 TRAFFIC STUDY 2019	5,300.00	
4. GIFFELS-WEBSTER ENGINEERS	06/11/2019	AIKENS DUE DILIGENCE, MEETINGS	1,430.00	
5. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	07/03/2019	PROFESSIONAL SERVICES THROUGH JUNE 30, 2019	6,607.45	
6. MARK STACEY	07/10/2019	DDA DIRECTOR 6/13 - 7/10/19	4,875.00	
TOTAL - ALL VENDORS			19,882.95	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			19,882.95	

07/16/2019 09:11 AM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
INVOICE ENTRY DATES 07/16/2019 - 07/16/2019
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: DDA
DDA WARRANT - ADD ON REPORT
JULY 16, 2019

Vendor Name	Invoice Date	Description	Amount	Check #
1. DETROIT EDISON				
	07/13/2019	2660 E. OAKLEY PARK	83.19	
	07/12/2019	3106 MARTIN PARKWAY	68.32	
	07/13/2019	2581 LIBRARY DR - LIGHTING	527.58	
	07/13/2019	2579 LIBRARY DR. IRRIGATION	70.68	
		TOTAL	749.77	
TOTAL - ALL VENDORS			749.77	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			749.77	