

Final
CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, July 21, 2020
Commerce Township Hall
2009 Township Drive
Commerce Township, MI 48390
12:00 PM

Due to Governor Whitmer's Executive Orders, this meeting was held via Zoom, video conferencing technology.

CALL TO ORDER: The Meeting was called to order by Director Stacey at 12:00PM.

Downtown Development Authority:

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

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

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Spelker, to approve the Regular Meeting Minutes of June 16, 2020 as presented.

MOTION CARRIED UNANIMOUSLY

ROLL CALL VOTE

AYES: Lublin, Spelker, Matta, Winkler, Mirkin, Gotts, Scott, Smith, Hoy

NAYS: None

ABSENT: None

MOTION CARRIED UNANIMOUSLY

Item 2: Public Comments

Ben Sebrowski – We ask that you use the raise hand feature in Zoom, which you can see either at the bottom of the screen, or in the participants list. If you'd like to speak, please raise your hand now.

No comments.

Item 3: DDA Informational Meeting

Director Stacey – As you're aware, under the new requirements for public reporting, we have to hold two informational meetings per year. We have notified our taxing authorities that this will be 1 of 2. Our second informational meeting will be held in November of this year. We will start with the Insite Commercial Report with Randy.

A. Insite Commercial Report

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

Randy Thomas – Mark, I see Kellie has joined the meeting. Do you want to give her a moment to speak before I start the report?

Director Stacey – Absolutely. Kellie is the owner of Goddard Schools in Lake Orion. We have been discussing an LOI with her for a piece of property on Haggerty Road, but we wanted her to introduce herself to the Board.

Kellie McDonald – I own the Goddard School in Lake Orion, and we've been there for 13 years. I built that building and developed the property myself. We're looking to expand and grow with a second site, hopefully in Commerce.

Director Stacey – Thank you, Kellie. We did go into the Planning Commission last week to get feedback from them, and they were excited.

Brian Winkler – Absolutely.

Director Stacey – We'll talk more about where we are with the LOI when we get to that portion in the report. Thank you for joining us, Kellie.

Randy, back over to you.

Randy Thomas – Okay, I'll try to be brief and focus on the things that we have a little bit of movement on.

- Parcels A&H – Shapiro's Barrington development; They're well underway. I spoke to Jim Galbraith. Their goal is to have all of the buildings up and enclosed so that by wintertime, they can focus the crews working on the inside. They anticipate occupancy in the first quarter of 2021.
- Parcel B1 – Aikens, Five & Main; First Phase
 - I spoke to Bruce 20 minutes ago to request his latest update.
 - He's fairly upbeat. He has had a fair amount of quality-name tenants that are in Twelve Oaks that have contacted him. Some of them have been in negotiations. It looks like a lot of these tenants are going to be exiting the mall. It's not just here; it's all around and it's a big buzz with the tenants to figure out how they can extricate themselves from being in an enclosed mall.
 - He's got a big tenant that he's excited about coming in August 4-5. He has us scheduled to take them up in the helicopter and do a tour. We're blocking those dates out for him.
 - If you're not aware, he has been in negotiations with Galbraith and Shapiro on the multiple family portion that sits within his development. They're really pushing him. He's looking to come in and amend the PUD, Dave, probably sometime this fall, with the intent on leading the development with the multiple family, and then

put in the Ring Road to service those tenants that were looking at the out-lots. We're anticipating construction going on this spring in that portion of the development.

Director Stacey – In addition, Bruce did receive his approval for a 12-month extension for the Library parcel at the last Township Board meeting. It was good to see that the Board is supportive of this project.

Dave Scott, have we signed the forms for the extension yet?

Supervisor Scott – I believe all of the paperwork is in process. It's all in motion.

Director Stacey – Perfect. The second thing, I wanted to expand on the mall issue. I had to go over to Twelve Oaks the other day, to North Face. It was the first time I've been there in a couple years. My daughter asked me to go with her. It's amazing, the limited amount of traffic inside the mall when compared to the stores outside the mall. People are just not interested in that type of environment right now. It certainly bodes well for our outside type of downtown development compared to what they have going on at a place like Twelve Oaks.

Randy Thomas –

- Parcel B2 – Granger, First & Main; Last time I reported that Granger did reach out. They're not sure where they're heading with the development. They talked about the possibility of getting the excess land on the market. The ball is in their court. I will keep you posted.
- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; We've seen an uptick in activity. In general, and as usual, even today I got a phone call for a gas station. Dave, just a heads up; you're probably going to get a phone call on some of the other locations. I've got nothing concrete on this site right now, and quite honestly, I'm not worried about it. As Bruce develops, the property becomes more valuable.

Vice Chairperson Lublin – Something I missed; are you saying Granger does not want to continue with the balance of their development, and they may be putting the land on the market?

Randy Thomas – That's correct, Danny.

Vice Chairperson Lublin – Oh, I see, so that's a total change from what they originally wanted to do.

Randy Thomas – Right, they have three phases there. The first phase is built; the second phase would go to the north side of the existing building and that was going to be the independent living. Then they had the villas which would have been on the south side. The way I read it in the conversation, their business model has changed. They're looking to exit the senior living arena and they want to find a buyer. We have already found a buyer for them, it's just a matter of them calling us back to effectuate. The proposed buyer would be looking at the subsequent phases.

Vice Chairperson Lublin – So somebody else may continue with what they had planned.

Randy Thomas – That is the intent.

Vice Chairperson Lublin – I follow. Okay, that's good. Thanks, Randy.

Randy Thomas – Yeah, no problem.

- Parcels D&E – Pulte, Merrill Park; Nothing new to report.
- Parcel F – The acreage in front of the Township Hall; 3.9 acres in front of Township hall; Nothing to report since our last meeting.
- 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; Again, I get gas station requests quite often. There is a group that is hunting around in the market. They have not said what their intent is, but they have come back to me twice on J1. I'll keep you posted.
- Parcel J2 – NorthPoint, Beyond Self Storage; Nothing to report.
- Parcel K – The orphan piece across the street; I generally don't have a lot to tell you on Parcel K, but we did get a phone call yesterday from a development group in Atlanta that is interested in looking at a couple of options, possibly mixed-use or climate controlled storage. They're a large group. They own retail shopping centers and indoor storage facilities. They reached out because they need Parcel K for access onto Pontiac Trail. They said they're working on a couple concepts. I suggested that they get back in front of Dave Campbell and staff with their concepts to get initial reads before proceeding. I was very clear with them about the intent of the DDA, the acquisition of the properties, the high-end nature of the development going on across the street and that they may have some challenges. He listened and they will come back in about a month with at least two options to consider.
- Parcel L – 1.8 acres on Haggerty Road; Kellie McDonald of Goddard Schools has joined us to discuss this parcel. I have been talking with her for a while now. Last week in the Planning Commission Zoom meeting, she had the opportunity to present a conceptual site plan. Dave, do you want to give them the read?

Dave Campbell – Part of the reason we wanted to get Ms. McDonald in front of the Planning Commission was so that they could see the concept and get a sense of how the site would lay out. More specifically, there's a provision in our Zoning Ordinance that says when you've got a proposed new daycare center, it cannot be within 1500-feet of an existing daycare center, unless the Planning Commission decides otherwise. We wanted to have them make a formal decision on the 1500-foot rule, and they unanimously said they would waive the 1500-foot rule at this location.

Keep in mind, 200 feet further south is where the daycare is; it used to be Rainbow, now it's a Kindercare. It was built maybe 10 years ago. They would certainly be less than 1500-feet from Parcel L, but the Planning Commission was comfortable with there being another daycare center in that proximity. Now, if Ms. McDonald wants to move forward, then it would be submittal of a site plan that the Planning Commission would consider. From what I'm hearing, she will move forward with that.

Randy Thomas – In further advance of the conversation, yesterday we did get a letter of intent from Kelly for the property. Mark and Tom Rauch have reviewed it. We have not had the opportunity to get in front of the Marketing Committee, which would be our next step to review that and give some direction back, whether we counter, and if so, what we counter on. Kellie, that would be our next step. Mark and I will coordinate with the Marketing Committee, and then the Committee will make the recommendation on what the next step would be.

Kellie McDonald – Okay.

Randy Thomas –

- Parcel M&N – These are the two out-lots that are being retained within the development. When the Ring Road gets put in, that will actually put Parcel M on the map which is right next to Walmart. As Bruce develops this, our values will increase.

Director Stacey – Randy, let's jump back to Parcel K for a minute and get the Board's feeling of a self-storage type of facility on that adjacent piece. I know that it doesn't fit our vision, but we haven't really talked to the Board yet about it.

We're talking about a piece of property that we don't own. It is about 10 acres that is shoehorned next to M-5, but we own the access driveway point; really, the only way to get in. If this Board remembers, we had gone to the owners a number of years ago and said, "Look, you need this property. Buy it from us today and we'll give you a reasonable price. That way, you can accumulate what you need to do a development."

Well, they have come back now with a development we don't quite like, so it gives us the ability to say no, we won't sell the driveway entry. How does this Board feel about the concept of a self-storage facility if it were to be the new style that looks like an office building, maybe with retail on the ground floor? Or, if it was an old-style self-storage facility? I don't even know what they're proposing, do you, Randy?

Randy Thomas – No, and I think they will come in and give us two concepts to look at and vet through from there.

Director Stacey – So we may be early on this discussion and we'll bring it back next month.

Randy Thomas – Yes, we'll at least have something to look at.

Director Stacey – Okay. It does put us in a good position owning Parcel K for this issue.

Randy Thomas signed off at 12:22pm as there were no additional questions or comments.

- B. Asset & Liability Report – Director Stacey – The report was included in the packet. You'll note that we have listed our assets at approximately \$13 million. Our liabilities are all of the bond payments we have due, giving us a negative position at the moment. You've see this report before; it does not take into account future tax revenue and that's why we are negative today.

C. Q&A

Director Stacey asked if there were any questions with regard to the Informational portion of the DDA Meeting.

Ben Sebrowski verified; there were no questions from any meeting participants.

Item 4: Director's Report

Director Stacey – We have some exciting developments onsite.

- You'll notice that it is looking better. We do have our sprinkler systems running, about 85%. It has been a fascinating year with problems with the irrigation system, but it is operational.
- In addition, we have had United out fertilizing, cutting and doing trail clean-up work on the east side of the development. We had Rousseaux do repair work on the west side trails. We brought in about a semi and a half load of asphalt millings for the pathways.

- Mark Rousseaux also cleaned out the drainage heads that were blocked from multiple years of debris and growth. Matt Schwantz, thank you to Giffels for giving us the information we needed to locate the drainage heads. That certainly helped us out significantly. We feel now that if we had the type of rainstorm we had last January, we should be in good shape and everything should work as originally designed.
- Those were all HOA items. We have paid the bills for the majority of those, but we have not seen a bill from Rousseaux yet. We will have that in your packet next month.
- As mentioned, the Library parcel extension was approved for Bruce Aikens.
- I spoke with Jim Galbraith. He is working very hard on his front entry points. He feels it's very important to get those landscaped and he'll be doing additional landscaping as a seasonal improvement as he gets ready to start renting units. As Randy said, Jim is hoping for a February move-in date.
- We've had two negative issues onsite in the last couple days.
 - We had a light pole knocked down yesterday. We had that secured and Chris is working on getting parts to reinstall it. That was at the Township roundabout at approximately noon yesterday.
 - The other issue is that we are still having problems with signage being stolen. Barrington's sign was put back up, but was cut back down again. I'm not sure what's going on with that, but we have been in contact with the Oakland County Sheriff's Office, asking them to keep an eye on things. I will also work with Derek at the construction company to determine who is stealing signs off our sites; both Barrington and of course, Insite Commercial had a bunch of signs stolen.
- **MTT Judgments** – None
- **HOA Items** –
 - **HOA 2020 Budget** – We are working on the 2021 Budget. In my discussions with Jim Galbraith, it looks as though we will continue on with the same budget as last year. At our last DDA meeting, we talked about us continuing to operate the development internally since we will not be turning it over, and the Board felt comfortable with that. Jim is also. I still need to talk to Bruce Aikens, but I don't see a problem with that.
 - **Dues** – 2020 Dues paid
 - **Tax Forms** – All have been submitted
 - **Lighting - CJs Lighting, Chris Niestroy; Shaw Electric, Mark Fetters**
 - We do need to replenish our lighting inventory. In theory, we were going to turn over the HOA this year, and therefore I let the inventory dwindle. However, we will have this another year so we will restock.
 - **Landscaping - United Lawnscape, Brian Sparks; Westside Forestry**
 - The site has looked a little rough this season, between the lack of irrigation, getting a late start due to COVID, and other issues. I think right now, we're probably about 30 days behind, but by next week everything should start looking significantly better.
 - All the chemicals have been applied, everything is cut, and we're watering. The trails are cleaned and repaired.
 - **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
 - We have discussed this.

Item 5: Attorney's Report

Attorney Rauch – There's very little to report in the last month. I've been available to Mark and Randy as appropriate. We helped a bit with the Library property extension for another year. As

Randy and Mark mentioned, Kellie McDonald is looking forward to making a proposal to purchase the property on Haggerty Road. That parcel was cut out of the property that became Merrill Park. We will be ready to assist with that over the next few days or weeks. Other than that, things remain quiet.

Item 6: Engineer's Report

Matt Schwanitz, Giffels Webster – We have been providing backup to Randy on a couple of transactions in terms of information requests. No big feats or big expenditure of time. We've also been answering occasional questions from Bruce's engineer, PEA, specifically Jim Butler; just some history lessons, both the design process and physical characteristics of the property that I recall. Beyond that, it has been very quiet.

Director Stacey – You also helped us out with the drainage issues with Rousseaux. Thank you.

Item 7: Planning Director's Report

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

- A couple updates on projects that are before Planning Commission, and working with the Planning Department.
- 84 Lumber is looking to occupy some of the lots in the Pioneer Industrial Park, on the west side of Martin, just south of Richardson. They had a meeting last week with me, the Township Attorney and the Township Supervisor. It was kind of a kickoff meeting for the Conditional Rezoning. The properties they want to occupy are zoned TLM and they need to get those rezoned to Industrial so that they can operate a lumberyard there. The Conditional Rezoning allows the Township to know exactly how it will be laid out, how it will be landscaped, screened, et cetera.
- We had a meeting today about the Bay Pointe Golf Course, which is just outside of your DDA. It looks like the potential buyer/developer of that will scale back significantly, which is good from the Township standpoint relative to traffic to ease the burden at Richardson and Union Lake Roads.
- We had a meeting last week about the Williams International Campus. There is a potential buyer who would like to do residential on the bulk of that property, and maybe a different use along Maple Road, whether that be office or retail. They were doing their initial due diligence to see what sort of hurdles there would be in terms of Township approval.
- For all Boards and Commissions, the Township will start working with a group who specializes in managing these online meetings. The group is called Merge Live. Up until recently, they were based out of Walled Lake. They outgrew that location and found a new home in Howell. They will help the Township manage these online meetings. If we do get back to in-person meetings, with the Township's approval, they would like to bring in their own cameras and broadcast those meetings live. I know we have members of the Township Board who have different feelings about that, so we will have some decisions to make about that. In the interim, they will assist with Zoom meetings. For my Planning Commission, we had some unfortunate incidents of our meetings getting "Zoom-bombed" as they say with folks taking over the meeting with inappropriate content.
- We do have two new Planning Commission members. Tom Jones and Russ Schinzing both stepped down. Tom is stepping down after 22 years of service. We certainly appreciate what he brought to Commerce Township. Their seats have been filled by Chelsea Rebeck, and Sam Karim. Chelsea is an attorney and a CPA, and Sam is a recently retired architect and planner for the University of Michigan Health System. Both

of them bring a very impressive résumé and will hopefully bring a very good perspective to our Planning Commission. They will join us at our next Planning Commission meeting on August 10th.

- I think we covered the proposed self-storage at the southeast corner of M-5 and Pontiac Trail, but I can answer any questions you may have.

Item 8: Committee Reports

- A. Finance Committee – Director Stacey – We did update the balance sheet. We are working on next year's budget. I'm planning on presenting that to you at the August meeting.

Treasurer Phillips – Just to give the Board a heads up, the DDA has a \$3.5 million debt payment due October 1st, and we have \$2.2 million in the bank. I will be bringing an advance request to the Township Board and to the DDA Board at both September meetings to get it approved and transferred before I have to make the debt payments. It will be at least \$1 million, it might be \$1.5 million. It depends on how our summer collections go and how much more money I have available in current summer property taxes captured that I can transfer to the DDA before the debt payment is due.

- B. Public Relations Committee – Jose Mirkin – The Public Relations Committee did not have any meetings because Walled Lake Schools are closed. I kept in touch with the art teachers through emails. There is nothing planned. They don't know when schools are going to be reopened. That's in limbo right now.
I started discussing through emails with the DIA. The DIA is closed, but people are working internally. I asked for the forms to fill out so we can have the reproductions of masterpieces in 2021 in locations that we will decide upon. I have started the process to be in sequence for 2021.

- C. Marketing Committee – David Smith – Randy covered everything that's going on with us. We're looking forward to the next Marketing Committee meeting.
The land where they're talking about buying the additional driveway space from us; I would not be in favor of a storage facility at the gateway to Five & Main. That's my general viewpoint.
I have a question for Dave. If 84 Lumber goes in, is that going to be open storage?

Dave Campbell – It is going to be a traditional lumberyard where they keep the lumber outdoors. A lot of it is going to be in sheds that are enclosed on three sides, but open on one side to allow access for forklifts.

Part of what we're pushing them toward on their Conditional Rezoning agreement is a very thorough plan to screen the outdoor storage area with a combination of landscaping, berm and privacy fence.

David Smith – Okay, thank you for that.

Director Stacey – Mr. Smith, I would add that regarding the self-storage facility, they are potentially talking about retail with storage above it, which is the newest concept. I don't know where that one would go. I certainly am not in favor of an old-school self-storage facility with rollup garage doors. I want to see an office building there; something that feeds the downtown. We get to participate in this because we do control access to a degree, so it gives us a strong position.

Discussion continued regarding access and limited alternatives with regard to the property adjacent to Parcel K.

Susan Spelker – It's important to remember that not all storage facilities are the same. People in the area might really have a need for extra storage. They certainly can't put a snowmobile in their driveway in their subdivision. It might be an attractive feature if it was done tastefully, carefully and well. I think we need to stay open-minded on that one.

Director Stacey – That was why I said retail on the ground floor, with storage above, but not the old style, garage door, single story, et cetera.

Susan Spelker – Right, no hideous awful buildings.

Vice Chairperson Lublin – What is the exact location for the proposed storage?

Director Stacey – It's directly west of our Parcel K, that small orphan piece on Pontiac Trail, over to M-5, fitting in that shoehorn piece.

Vice Chairperson Lublin – Okay, I've got it.

Director Stacey – It's owned by a private developer. Realistically, it would be nice if they could combine all of those pieces together and do a major development. That would be a positive, tying in trailways all the way back to the new bridge. We'll have to see where it goes and we will keep this Board informed.

Item 9: 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**

ROLL CALL VOTE

AYES: Lublin, Mirkin, Matta, Hoy, Spelker, Smith, Scott, Gotts, Winkler

NAYS: None

ABSENT: None

MOTION CARRIED UNANIMOUSLY

Item 10: Other Matters

- The next regularly scheduled DDA meeting is Tuesday, August 18, 2020 at 12:00pm.
- Jose Mirkin – Mark, I'd like to say thank you to Ben and Debbie for coordinating the meeting and making it possible.

Item 11: Adjournment

MOTION by Lublin, seconded by Gotts, to adjourn at 12:47pm.

ROLL CALL VOTE

AYES: Lublin, Gotts, Mirkin, Winkler, Matta, Hoy, Spelker, Smith, Scott

NAYS: None

ABSENT: None

MOTION CARRIED UNANIMOUSLY



Melissa Creech
DDA Secretary

EXP CHECK RUN DATES 07/21/2020 - 07/21/2020
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

BANK CODE: DDA
DDA WARRANT REPORT

JULY 21, 2020

Vendor Name	Invoice Date	Description	Amount
1. DEBORAH WATSON	07/15/2020	DDA ASSISTANT HOURS 6/11 TO 7/15/20	706.25
2. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	07/06/2020	PROFESSIONAL SERVICES THROUGH JUNE 30, 2020	2,245.40
3. MARK STACEY	07/15/2020	DDA DIRECTOR 6/11/20 - 7/15/2020	6,325.00
TOTAL - ALL VENDORS			9,276.65
FUND TOTALS:			
Fund 499 - DOWNTOWN DEVELOPMENT AUTHORITY			9,276.65