

Final
CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, March 16, 2021
Commerce Township Hall
2009 Township Drive
Commerce Township, MI 48390
12:00 PM

Due to the Michigan Department of Health and Human Services order, this meeting was held via Zoom, electronic video conferencing technology.

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

Downtown Development Authority:

Present: Debbie Watson, Acting DDA Director
James Gotts, Chairperson
Dan Lublin, Vice Chairperson (by phone)
Larry Gray, Township Supervisor (joined at 12:02 by phone)
Jose Mirkin, Member
David Smith, Member
Susan Spelker, Member
Steve Matta, Member

Absent: Brian Winkler, Member (excused)
Tim Hoy, Member (excused)

Also Present: Molly Phillips, DDA Treasurer
Melissa Creech, DDA Secretary
Thomas Rauch, DDA Attorney
Matt Schwanitz, Giffels-Webster Engineer
Randy Thomas, Insite Commercial
Dave Campbell, Township Planning Director
Ken Milburn, Meeting Moderator, Merge Live

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Mirkin, to approve the Regular Meeting Minutes of February 16, 2021 as presented.

ROLL CALL VOTE

AYES: Lublin, Mirkin, Matta, Gotts, Smith, Spelker

ABSENT: Winkler, Hoy, Gray

MOTION CARRIED UNANIMOUSLY

Item 2: Public Comments

Chairperson Gotts opened to Public Comments.

Ken Milburn – There are no public in the meeting at this moment, Mr. Chair.

Chairperson Gotts closed to Public Comments.

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; They're delivering buildings about one every 4-6 weeks. I don't have anything new. Dave, maybe you have something new?

Dave Campbell – The good news is that the post office is finally delivering mail there, which was quite an ordeal. One of the residents of Barrington is a former member of our ZBA and he was checking in with us every so often to ask when he would start getting mail.

They also reinstalled the letters on the Barrington monument sign at the roundabout, the ones that were stolen. They have since replaced those and they have electrical service so that they can illuminate them as well.

Randy Thomas –

- Parcel B1, Phase I – Aikens, Five & Main;
 - I have spoken with Bruce a few times since our last meeting. They've reengaged talking with tenants. He says he feels a little better about where they are now than they were a year ago when the pandemic started.
 - He is doing a revised site plan for the entire project. He's looking at the focal point right now, and I think the next thing we'll hear out of him is probably going to be the multi-family component. That potentially could be going vertical this year. It depends on his timing.
 - At Bruce's request, we have now reengaged in more discussions with the gourmet market. We're pretty close to signing a lease.
 - It looks like he is moving forward. He is going to be at the joint meeting between Township Board, the DDA and the Planning Commission on April 27th.
 - We've asked also for him to come in and meet with Deb Watson now that she has taken helm of the DDA as Interim Director.
 - That's all in motion.

Dave Campbell – I just hung up with Jim Galbraith who was asking about that April 27th meeting, which is hopefully a joint meeting with the DDA, the Township Board and the Planning Commission too. Galbraith was asking if we will be back to in-person meetings at that point. His hope is that we are, with new faces, a new Township Supervisor, with Deb stepping up into the DDA Director role. Both Jim and Aikens would like to have an in-person meeting. They just think it would be more personable. We're still trying to figure out what the Township meetings are going to look like in April, and some of that depends on what we hear from the State.

Randy Thomas –

- Parcel B1, Phase II – Aikens, Five & Main

Vice Chairperson Lublin – Randy were you saying that Aikens, on his secondary piece, is transferring that into multiple?

Randy Thomas – No. The multiple is part of his Phase I. If you recall, he had an area that was about 12 to 15 acres on the east side of the property, between his development and Walmart. That is still the area where he is contemplating. That is not Phase II. As to Phase II, he's not going to close in October of this year. I brought it up to him. I know internally we have spoken about it. It's something we will need to address, not only from the DDA standpoint, but also

from the Township Board standpoint because we have the parallel track running with the Library piece, as well as Phase II.

Vice Chairperson Lublin – In other words, Phase II is still up in the air as to what's going to happen?

Randy Thomas – That's correct. The DDA still owns that property. That has not been transferred over. I know that Bruce has talked about the integration of Phase II. He's had more conversations on that in the last month so I know he's thinking about it. I told him that we know he's not going to close; we've got to address this and we need to come up with a plan going forward.

Vice Chairperson Lublin – Has he come up with the desire to extend the agreement?

Randy Thomas – We had talked about that internally, Deb and I, and that needs to happen. George Weber had visited me and we had a conversation about that. It's on everybody's radar. The strike time would be October 31, 2021. Even though that's six months out, I think we should take care of it now and put it to rest so we know where we're going.

Vice Chairperson Lublin – I agree with you there.

Randy Thomas –

- Parcel B2 – Granger, First & Main;
 - Apparently, they are either under contract or close to being under contract with an owner-operator on all of their sites including the Commerce location. He couldn't provide me anything more on future growth plans.
 - We have brought two groups to them as well, specifically to the Commerce site. I'm really at the mercy of his updates and when he decides to give them to me.
- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; We're really going to start to see an increase in activity, especially when the weather breaks. We've had a significant uptick in general calls. A lot of people want to know what's going on with the area. This past month, it was gas stations again and self-storage. We just told the self-storage folks it's highly unlikely that would be approved over there and we gave them some other locations to look at.
- Parcels D&E – Pulte, Merrill Park; Nothing new to report.
- Parcel F – The acreage in front of the Township Hall; Other than the uptick in activity, nothing concrete.
- Parcel G – Wyncliff; Nothing new 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; Likewise with Parcel C and F, we've had an increase of general inquiries but nothing solid. We'd like to get our signs back up. That tends to give us a little bit more exposure. I think everybody is aware of the scenario.
- Parcel J2 – NorthPoint, Public Storage; Nothing new to report.
- Parcel K – The orphan piece across the street; This is the group out of Atlanta, RCG, that is doing the climate-controlled self-storage. They did receive site plan and Special Land Use approval from the Planning Commission. I'm going to try to get a handle on their timing going forward.

- Parcel L – 1.8 acres on Haggerty Road; Goddard School –
 - As you'll recall, the deal came back alive because corporate changed their position regarding another location being built at 13 Mile Road and M-5. They initially said they would put this on hold, then they gave a green light, which all happened last month.
 - We went back under contract and got the process started with removal of the pathway through the property, and then I got a phone call from the operator last week that corporate had changed their position once again. She doesn't know what it means.
 - She wanted to tie up the property for a year. I told her it would not be in the interest of the DDA to tie that up. I will stay in contact with her.
- Parcel M&N – These are the two out-lots that are being retained. These are incorporated within the retail development, and we're just taking names right now. We can't deliver anything until Bruce starts his project.
- In general in the market overall, I think there's a breath of fresh air that we're sensing. There's light at the end of the tunnel and it's not a train coming at us.
- The office markets are still in a little flux and they probably will be for the next year or two as things slowly get back to normal.
- We do have a proposal on the Beaumont parcel. That's going through its reiterations. Dave, I want to connect with you on that as it starts to move forward. There is a PA out and Beaumont's looking at it really hard.
- Retail is slow to come back. We think it's still going to remain slow for the next year.
- Everything industrial, it's unbelievable how brisk that market is right now. You can't find a 10,000 square foot building in the market at any realistic prices. We're almost double the pricing, on a per square foot basis, than we were 10 years ago.

Vice Chairperson Lublin – On the Beaumont property, has there been an indication of what they want to use it for?

Randy Thomas – The answer is yes. They've asked for me to set up a meeting with Dave before we say anything, because he wants to get Dave's take on things first before he gets too far down the road. I would say probably next month, I'll have more that I can share with the DDA Board. I just got the purchase agreement last week.

Jose Mirkin – Randy, we didn't see Bruce because of the pandemic for a long time. Assuming that we do not have the in-person meeting, is it a good idea to invite Bruce to the virtual meeting so he can share with us what his plans are?

Randy Thomas – Yes, Jose, that's in motion. That's part of what we asked Bruce to do in this joint meeting. I've also asked him to come in and meet with Deb now that she's in the Director role. I know he was out of town, so we're waiting for that to happen.

Jose Mirkin – Okay, great.

Vice Chairperson Lublin – Randy, when you were saying that industrial became very hot, you're talking about buildings that are already up, not the vacant land, is that right?

Randy Thomas – We're seeing it in existing buildings and in vacant land. The biggest issue, almost across the board in all sectors, is construction costs, which are just outrageous. The lumber packages are probably 40% higher than last year. Unless you're a user, you can't put

these buildings up and get the rental rates you need to because of the cost. The market here, call it \$6.50 per square foot triple net. If you were to build a new building, you'd have to almost be double, \$11-\$12 per square foot triple net. The market's not there.

Vice Chairperson Lublin – I just wanted to get clear that it was buildings that are already up that have gone up in value.

Randy Thomas – Yes, from 10 years ago, everything has doubled in price right now. We're at a peak in values on industrial properties.

Item 4: Director's Report

Acting Director Watson shared an overview of the report included in the DDA Board's packet.

1. Updates on Developments – (covered by Randy's report)

- Merrill Park –
 - The HOA is okay with removal of the pathway stub if someone does develop on Parcel L and no pathway is constructed. We will work with Dave as he now has Administrative Approval to decide upon that pathway.
 - Graffiti issues were discussed with Pete Cantillon, and also Steve Kiryakoza of Wyncliff, and we are taking actions.
 - A new paint quote will be received this week, for concrete paint, but also for anti-graffiti so we can compare those prices, which would be an HOA expense.
 - I don't foresee working with the art students in the immediate future, but that's certainly something we can look at down the road.
- Wyncliff – They had inquired about assistance with an entry lighting project. The HOA could contribute \$1,000 to any entry lighting project that they might pursue.

2. MTT Judgments – We do still have eight dockets open with MTT, but none of those have been settled yet as of today. We will keep you posted.

3. HOA Items – I was approved as President of the HOA as of February 25th. We have been able to take action and get invoices paid.

- A. HOA Budget – The 2021 budget was approved in early January.
- B. Dues – For 2021 dues, we are still waiting on two of the units. I have followed up.
- C. Tax Forms – Taxes are complete and being mailed out.
- D. Lighting – CJs Lighting, Chris Niestroy; Shaw Electric, Mark Fetters
 - We have an electrical repair, and I ordered the part for that. It is \$2,400 plus labor costs.
 - Our lighting order did come in. We've placed a second order already. CJ's will be scheduling repairs.
 - We do have three pending claims with insurance companies. Hopefully when those come in, we will have another \$15,000 in our budget.
 - The Sheriffs have been very helpful in following up to get insurance company information, photos, and other details that we need. Thank you to them. I know Wendy could not be on our meeting today, but I will touch base with regarding those and to the signs that Randy would like to put back up.
- E. Landscaping – United Lawnscape, Jim Parkinson; Mark Rousseaux; Westside Forestry
 - The United contract was renewed for 2-years with the same pricing since 2018.
 - They should be starting soon.

- Rousseaux will be assisting us regularly with site inspection, cleanup and maintenance of the overall site and the pathways.
- F. Irrigation – Michigan Automatic Sprinkler, Mike Rennie
 - Renewing service contract for 2021

4. Other –

- A. Township Email Addresses - Ben Sebrovski, IT Director, is working to set up Township Gmail accounts for all DDA Board Members.
- B. Township Board Meeting, March 9th:
 - The Board approved providing the Planning Director with Administrative Approval regarding the decision to have, or not to have, the pathway through Parcel L. Removal of the Merrill Park stub would depend upon removal of the pathway, and costs will be negotiated as part of the sale.
 - The Board also approved the DDA's Advance Request of \$1.75 million.
- C. COVID - Cases caused closure of the Township in early March.
- D. Graffiti - Extensive communications took place with residents of the HOA regarding the excessive graffiti in the tunnel. I finalized my research to determine potential solutions. Action is being taken with the assistance of the Township Maintenance Department to address these matters.
- E. Sign Bandit - Issues with signage continue. The Special Land Use sign at Parcel K was vandalized. The Township and the Oakland County Sheriffs are working on potential solutions and taking action. They did recover several signs that were taken down.
- F. Admin Fees – David Smith, please call me to discuss this further.
- G. DDA Job Postings – I asked Susan Spelker today to help me with a posting on the OCC website for the Assistant position. As of today, no applications have been received for the positions posted. I hope to hire an Assistant in April.

Item 5: Attorney's Report

Attorney Rauch – Not a lot going on at the moment, with the exception of all the issues that have already been discussed elsewhere with Parcels L, K and C.

- The transaction is on hold with Parcel L and I have not received a copy of the deposit being refunded yet, but Kellie McDonald has indicated in writing her withdrawal from the agreement.
- Because discussions with Parcel L revolved around the pathway relocation, I'm glad that the Township Board and the Planning Commission have directed that Dave Campbell, Planning Director, can relocate and adjust the location of that pathway, so that whether Ms. McDonald comes back to acquire the property, or someone else does, that flexibility will already be in place which is helpful.
- Part of what that flexibility included was discussion of connection of the pathway next to Walmart, across Parcel C, Unit #3 in the condominium. What I am doing is to put together information for due diligence of buyers for Parcel C, which I will get out soon. This will show the actual configuration of the land, how it was acquired, from whom, and what environmental and other investigation we had already done. That includes the issue of the pathway crossing Parcel C. As Deb mentioned, there is an easement for a pathway, from the existing pathway system, across the corner of Walmart to touch Parcel C, which will connect in the future to Haggerty Road.
- The last issue, we have open due diligence in Parcel K, on Pontiac Trail. Dave Campbell, do they have site plan approval?

Dave Campbell – They received both Special Land Use and site plan approval at the March 1st Planning Commission meeting for their self-storage facility.

Attorney Rauch – I've heard nothing, which is good news. Hopefully, their due diligence is proceeding and they will close sometime soon.

Item 6: Engineer's Report

Matt Schwanitz – It has been relatively quiet. I've been assisting Tom, Deb and Randy on a few transactions and putting together background information for those. Just a little bit of research here and there for them.

Item 7: Planning Director's Report

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

- You've mentioned The Space Shop self-storage at the March 1st Planning Commission meeting.
- A couple other projects within the DDA that were part of the Planning Commission's agenda.
- They approved a new out-lot in front of Meijer where there will be a Jiffy Lube. They have to go to the ZBA because they want more signage for their new building than what they're entitled to.
- The Fetter property, which is the 25 undeveloped acres on the west side of Haggerty, north of 14 Mile. The prospective developers of that site are Steve and Spencer Schafer. They have been to the Planning Commission with their preliminary plans a couple times now, and they also asked to go in front of the Township Board at their meeting on March 9th. They felt that the Board was receptive to what they're proposing on that property and they feel comfortable moving forward with a more formal step to complete that project as a PUD. They want to get back in front of the Planning Commission with a formal submittal at their May 3rd meeting.
- Deb already covered the discussion on Parcel L and the pathway across it.
- The other discussion that is probably relevant and interesting to the DDA is the owner of the Mobil gas station at Union Lake and Commerce Roads; he already has site plan approval to demolish his retail store and rebuild it. I think he got some sticker shock when some of the pricing came back on what it would cost for him to do that. So, he came back to the Township and asked, can I please be allowed to sell beer and wine at my store? Currently, the way the Zoning Ordinance is established, he would not be eligible to sell any alcohol at his store. He asked the Planning Commission if there was any appetite to amend the Zoning Ordinance to allow him to do so. The feedback he got was that there was not any interest in doing that. The reason I bring it up to the DDA is because it's a discussion that is potentially relevant to the DDA parcel at Oakley Park and Haggerty. I think Mr. Thomas would tell you that there would be interest from a gas station developer if they could sell alcohol as part of their gas station if they were to develop one on that corner. The same answer may apply to that corner that applied to the Mobil, which is, there is not eligibility for alcohol sales on that corner and as far as the Planning Commission is concerned, there is not any interest in changing that rule.

Item 8: Committee Reports

- A. Finance Committee – Susan Spelker – I've been the proud recipient of copious amounts of emails containing financial information. I've reviewed a whole lot of it and of course, it's all neat and tidy the way that Mark left it. We would expect

nothing less. My first official meeting will be on Thursday. Hopefully, we will determine some strong and reliable outcomes for the future. I expect to have more to report after I become more deeply entrenched.

- B. Public Relations Committee – Jose Mirkin – There is nothing new to report.
- C. Marketing Committee – David Smith – Randy has eloquently stated what’s going on. Right now, I really don’t have much to report. I really don’t miss that daycare on Haggerty. Other than that, the economy is surging ahead for some reason which I don’t understand. It’s kind of crazy out there. Let’s keep moving on.

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.

ROLL CALL VOTE

AYES: Lublin, Mirkin, Spelker, Smith, Gray, Gotts, Matta

ABSENT: Winkler, Hoy

MOTION CARRIED UNANIMOUSLY

Item 10: Other Matters

David Smith – Are they close to rescinding the Open Meetings Act to allow open meetings?

Chairperson Gotts – I have not heard anything in that regard. Have you, counselor?

Dave Campbell – I hope to have this conversation with my Township Attorney. We have a meeting at 2pm and that’s one of the questions I’m going to ask. Do we have any insight on what the State is going to do with the Open Meetings Act and the allowance for virtual meetings?

Supervisor Gray – From what I’ve been told, we’re trying to get legislation to keep it going until June 30th if we can, because right now we’re limited to 25 people. At a Township Board meeting, 25 people would fill a room up really quick. We’re just waiting to hear if it’s going to be extended or not.

Jose Mirkin – Yesterday, The New York Times had a chart for all the states. Unfortunately, Michigan shows a surge in the number of new cases. We are not out of the woods yet.

Steve Matta – I’ll tell you my experience. Two weeks ago, I got a notice from the Oakland County Circuit Court that I would be starting a jury trial on April 12th. Today, I received a message that the jury trial has now been canceled by the State. If that’s any indication of what the State is going to do to allow meetings, take it for what it’s worth.

There has been mention of the joint meeting on April 27th. What time is that meeting?

Acting Director Watson – That would be at 7pm Steve.

Steve Matta – Okay, thank you.

- **The next regularly scheduled DDA meeting is Tuesday, April 20, 2021 at 12:00pm, at which time an Informational Meeting will also be held.**

Item 11: Adjournment

MOTION by Mirkin, seconded by Lublin, to adjourn at 12:36pm.

ROLL CALL VOTE

AYES: Mirkin, Lublin, Spelker, Smith, Gray, Gotts, Matta

ABSENT: Winkler, Hoy

MOTION CARRIED UNANIMOUSLY

Melissa Creech

Melissa Creech
DDA Secretary

03/10/2021 12:46 PM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 03/16/2021 - 03/16/2021
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: DDA
DDA WARRANT REPORT
MARCH 16, 2021

Vendor Name	Invoice Date	Description	Amount	Check #
1. ADKISON, NEED & ALLEN	02/28/2021	PATHWAY PARCEL C	230.00	
2. DEBORAH WATSON	03/10/2021	ACTING DDA DIRECTOR 2/11 TO 3/10/21	5,140.00	
3. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	03/03/2021	PROFESSIONAL SERVICES THROUGH 2/28/21	9,505.33	
TOTAL - ALL VENDORS			14,875.33	
FUND TOTALS:				
Fund 499 - DOWNTOWN DEVELOPMENT AUTHORITY			14,875.33	

03/10/2021 12:51 PM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 02/17/2021 - 03/15/2021
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: DDA
DDA CARRY-OVER WARRANT REPORT
MARCH 16, 2021

Vendor Name	Invoice Date	Description	Amount	Check #
1. DECKER AGENCY				
	02/04/2021	BON #65397536 DISHONESTY BOND FOR DDA DIRECTOR	1,023.15	2212
2. DETROIT EDISON				
	02/12/2021	2660 E OAKLEY PARK	107.87	2213
	02/12/2021	3106 MARTIN PARKWAY	101.64	2213
	02/12/2021	2581 LIBRARY DRIVE	815.09	2213
	02/12/2021	2579 LIBRARY DR - IRRIGATION	19.09	2213
		TOTAL	1,043.69	
TOTAL - ALL VENDORS			2,066.84	
FUND TOTALS:				
Fund 499 - DOWNTOWN DEVELOPMENT AUTHORITY			2,066.84	