

**CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, October 16, 2018
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
Jose Mirkin, Member
David Smith, Member
Susan Averbuch, Member
Susan Spelker, Member
Brian Winkler, Member
Tim Hoy, Member
David Scott, Township Supervisor

Absent: Melissa Creech, DDA Secretary (excused)

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

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Averbuch, to approve the Regular DDA Meeting Minutes of September 18, 2018 as presented: **MOTION CARRIED UNANIMOUSLY**

Item 2: Public Comments

Ray Golota, 1595 Vanstone Dr., Commerce Township – Has anybody heard of any complaints of theft out of First & Main?

Supervisor Scott – No.

Ray Golota – A friend of ours has a parent in there, and jewelry was stolen twice. They reported it to staff but did not file a police report.

Supervisor Scott – From years of practice, and from being a private investigator for the insurance industry, I would tell them to make a police report. There's not going to be any retaliation, and the reality is that remediating the problem is fast and furious. With their permission, we used to install simple motion activated camera in a situation like this to catch the thief. The facility probably has that function already in place. Don't tolerate it.

Chairperson Gotts – If the jewelry is listed with the insurance company, they should report it.

Director Stacey introduced Pauline Zunich of the Hampton Inn, 169 Loop Road, Commerce Township.

Pauline Zunich – Thank you so much for the invitation. I'm with the Hampton Inn and Towneplace Suites. We are less than 3 miles away from the Downtown, and as development starts and people begin coming in, we can offer extended stay at Towneplace Suites, or just a hotel for a few nights for those who want to see how their projects are going. We would love to be there for you. I'm excited to have this opportunity to be here, and I'm excited about the development. I will bring more information to future meetings.

Ms. Zunich provided her business card to the Board. The Board members thanked her for coming in.

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; Dave, do you have an update on the Galbraith project?

Dave Campbell – I don't know that it's anything new. They're still trying to get the sewer in. I think Mr. Galbraith said that it set the whole project back a year, by the time they get that sewer redesigned and realigned. I think they want to be going vertical by this time next year, and potentially moving people in by Spring 2020.

Director Stacey – I do know that the sewer work has turned the corner and it's now being built out towards Welch Road. They should be out of the significant wetland issue that they were in.

- Parcel B1 – Aikens, Five & Main; We've made progress recently with the market. We're down to the final economics and getting the LOD's for the actual box that they will be moving into. Likewise with the theater. I'm pushing Bruce and hope to get those signed before the New York ICSC, which is in December, so we can make an announcement. There are still headwinds in retail leasing. One deal got pressured by the local mall, and that put a little wrinkle in some of the efforts, but it has not stopped this from moving forward.

Director Stacey – The signs were put up. I think there are three spots.

Dave Campbell – There's three locations, and one of those is at 45 degree angle, so it's two signs that come together.

Director Stacey – We are working on the 8th Amendment for an extension with Bruce. I apologize it is not done yet, but we are working diligently on it. The outline is pretty simple. Bruce is looking at making some changes to his site plan, including a hotel that he wants to put into Phase 1, adjustments to some building design layouts, and also obviously based on market conditions, he is still working on getting his letters signed with developers for financing, and therefore, he requested an extension of time. We looked at our options, and determined that if we were able to cut a reasonable deal, the best option moving forward was to give him an extension of time that he pays for. Based on the broad outline, he has agreed to pay an additional \$100,000 for carrying costs that is non-refundable, and does not count toward the purchase price. This equates to what it costs us to hold the property for 6 months.

During that time, he will be able to continue his leasing efforts and get this finished; however, I have said to him that I want everything cleaned up so that this is ready to close at a moment's notice. Initially, my starting point was that we are not moving the December 3rd date. We went back to Planning and said, "Is this possible?" They said, "Actually no, we can't get it that close, but we can get through everything that has to go through Planning and Township Board during December and January.

Dave Campbell – That is the tentative target, but Aikens team has some work to do to get us there.

Director Stacey – That's what we're working on. We're also working to have an approved 8th Amendment to you at the next meeting. Next Tuesday we have a meeting with the Aikens team, including the engineers, lawyers, Planning, and our consultants to start tying up loose ends. I'll keep you informed and bring a copy for your approval at the next meeting.

Randy Thomas – Mark, do you want to update everyone on the shopping center you visited?

Director Stacey – On September 23rd, I visited Pinecrest. This is the development in Cleveland that is just opening up, and it's very similar to what Bruce is proposing to build here. To see what he is proposing come to life was amazing.

My wife and I spent two hours there walking around. It brought home every point we've been talking about for years here; building a community where people gather, in a place that has art, outside activities and high end finishes. At one point, my wife said, "I'll bet this is what Birmingham felt like when it was brand new."

The store list was very similar, the theater was absolutely cool. I would go there and I understand why you would pay extra, considering the amenities and the services you receive. Pinecrest led with Whole Foods on one end. Ours is a very similar concept, with the gourmet market, the restaurant list, the stores. Seeing the stores we've talked about come to life was really nice. The outdoor amphitheater will be a little bit different here because we don't have the topography. There they had built it into the side of a hill, with screens on the outside of the theater. Bruce is talking about doing an outside screen also.

This had a Marriott Aloft, a high-end new hotel. There were residents above the offices. It's exactly what we were looking for, and it was exciting to see it in real life.

Jose Mirkin – Was Bruce the developer for that project?

Director Stacey – No, but he has been in talks with them.

Pauline Zunich had inquired about the Five & Main timeline. Randy Thomas stated that Bruce is working through that right now. There is a milestone in leasing which allows for financing. Construction could potentially begin in the range of 2019 to 2020.

- Parcel B2 - Granger, First & Main; Ray gave us the update on First & Main.
- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; I have had an uptick in activity. Gas stations always come up. I've had three inquiries in the last 10 days. They've been asking a lot of questions and we've been providing information. They've talked about different uses from hospitality to retail, or maybe some sort of mixed use. Those are just ideas they have thrown out.
- Parcels D&E - Pulte, Merrill Park; I think they have 5-6 lots left last time I talked to Joe. They'll be out of that project sometime next year.

Director Stacey – On Pulte, they have told us they were putting in the roadway topcoat in the spring. Dave, do you know when they're hooking up the pathway?

Dave Campbell – I don't exactly. Mark is talking about where the pathway on the south side of the Pulte development ties into their sidewalks within the development. This has to go along the side of a residential lot to connect. We told the superintendent, let's do it once you actually have more sidewalks within the development to tie into. Now that they do, we want to see if they can pull it off this Fall.

Director Stacey – If you'd look into that, that would be great. We had delayed it because we did not want to dump people who were walking through the pathway system into an active construction site, but it's getting developed at this point.

Dave Campbell – Particularly in the area where people would be walking into it. It's occupied now and the landscaping is in.

- 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.
- Parcel G - Wyncliff; Nothing to report.
- Parcel I – BBI Holdings, Gilden Woods; North of the Township Hall, that is set for a December 15th opening date.
- Parcel J1 – 2.38 acres on the hard corner of Oakley and Haggerty; We've had a couple inquiries. We have issues that make our site look small, including stuff stored on the site, and the fence.

Director Stacey – We have asked them to have that moved, and to put the black fence back up. I will follow-up. I spoke with their site supervisor directly and explained to him, that was not something that was supposed to be damaged.

- Parcel J2 - NorthPoint, Beyond Self Storage; Dave, when are they planning to open the storage facility?

Dave Campbell – I don't know. I have not heard from them, and I don't believe they have been in touch with the Building Department yet on any final inspections. I will update you on that.

- Parcel K - The orphan piece across the street; Nothing to report.
- Parcel L - 1.8 acres on Haggerty Road; There was interest from a car wash operator. At the September Planning Commission meeting, there was a conceptual site plan review as to whether they would allow a drive-through as a primary use. I think the Commissioners would do that, because the primary use of a drive-through car wash is just that. However, the second issue was to demonstrate need for the Special Land Use, but there are car washes already existing to the north and south. They have since put in an offer on a building next door. I shared with them that it's still the same scenario, but they think they can come in and work it out.
- Parcel M&N - These are the two out-lots that are being retained by the DDA. We are at the point, where Bruce is in his site plan, that we need to define what those boundaries are going to be.

Item 4: Director's Report

Director Stacey reported the following to the Board:

- **Updates on Developers - (Covered by Randy)**

- **MTT Judgments** – None
- **HOA Items** –
 - **2019 HOA Budget** – We are projecting the 2019 budget to stay the same as it was in 2018. You approved that amount in our DDA Budget.
 - **Dues** – All dues are current, paid through the end of the year.
 - **Lighting - CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene**
 - Directly after last month's meeting, light pole #64 was taken down in a car accident. Our installer is putting in a new pole this week. The driver was operating under the influence. There was no insurance and no license plate on the vehicle. The probability of collecting from that driver is slim to none, so that will be an HOA item which is budgeted for. I will, however, work with the prosecutor to get a judgment against the driver to reserve the right to collect down the road if possible.

Supervisor Scott – The airbags were previously deployed from a prior accident.

Jose Mirkin – What is the amount of labor and replacement?

Director Stacey – The total value of that light pole is about \$8500. However, we had purchased a number of lighting supplies because we were able to get a discount on shipping. We have those stored at the DPW. We have a pole and heads in stock that we pre-purchased, but this depletes our inventory. We will probably order 6 poles again.

- We are looking at the bridge lighting. Under the bridge, we've had the lights turned off due to vandalism. We elected not to turn this lighting over to the HOA, and the DDA is still obligated. We are close to the point of having enough residents onsite that we can replace this lighting. We are working with Chris and our lighting supplier, Conserva, to find a solution that is intended to be indestructible; either a similar fixture or possibly rope lighting. The insurance company originally stated that each of these is a separate, standalone claim, and the deductible was \$1,000, while each light was about \$800 to replace, so we could not collect on any insurance claim. I'll bring you more information next month on replacing the bridge lighting.
- **Landscaping - United Lawnscape, Brian Sparks**
 - We had the west side trails cleaned up on September 9th. Our trail system should be in top notch shape.
 - We are still trying to get a contractor out for tree replacement. We have requested quotes from multiple vendors and no one has replied. They must be very busy at the moment, but we'll keep working on that.
- **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
 - We did have our irrigation system shut off on October 11th.
- **Other**
 - **Outrun Hunger** – We have been working with their organization to make sure everything is in place for their event.
 - **RCOC** – Dave, can you update on our status with the roundabout, and with the snow fence?

Dave Campbell – I think they are hoping to remove the existing snow fence and install an interim solution on the northbound and westbound approaches. It is expected to be a chain link fence covered on both sides with opaque green fabric.

Hopefully they will do that this week, weather permitting. It might be a 3-5 year interim solution until we have a better sense of where Aikens is going to land, and what needs to be done to the roundabout itself.

The RCOC wants to have their consultant review the roundabout and the traffic impact study that was done for the Aikens development.

Discussion took place regarding potential changes to the roundabout and other roundabout designs with a 3rd lane.

Dave Campbell – In addition, the pedestrian bridge over M-5 was opened to public use yesterday. The lighting is up, but the remaining aesthetic enhancements are expected to be done in February. The bridge is safe, accessible and open to public use. For the time being, it connects to an unimproved trail. Hopefully in Spring 2019, the Trail Way Council will improve the trail, including paving, installing pedestrian crosswalks and signals.

Discussions continued regarding the bridge lighting, an official grand opening and ribbon cutting ceremony for the bridge and trails, which should be coordinated with the trail improvements, and snow plowing of the bridge and ramps.

Item 5: Attorney's Report

DDA Attorney, Thomas Rauch – Thank you for welcoming Chris Martella last month at your meeting. He has a gregarious nature and he's a fine lawyer. Our work has slowed down over the summer months, but things are picking up dramatically with the Aikens project and the 8th Amendment.

Item 6: Engineer's Report

Matt Schwanitz, Giffels Webster – We are working on the amendment of the B-docs, the condo docs, for the Aikens parcel. That's the main bulk of our work, and we are working on a few other due diligence items.

Item 7: Planning Director's Report

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

- Several of my items have already been covered.
- The Planning Commission did see a conceptual plan for a new building, on the west side of Martin Parkway, just north of Boulder Court, for a multi-tenant building that would be anchored by Aqua-Tots, and indoor swim school for kids. The other spaces would be office tenants. They received a pretty positive response from the Commissioners and are anticipated to return soon with a site plan for that development.
- Mr. Scott and I sat down with Williams International to talk about their future in Commerce Township. They are transitioning to a new facility in Pontiac. They will eventually be moving all of their people out of Commerce Township, sometime within the next 3-5 years. We were brainstorming with them on what the future of their campus could be. More to come on that.

Discussion continued regarding Williams International leasing some of their space, and the Beaumont property across the street which is back on the market.

Item 8: Committee Reports

A. Finance Committee –

- Director Stacey stated that he and Treasurer Phillips met with the bond consultants last week to discuss the variable rate bonds, and options for locking in fixed interest rates, along with accelerating principal payments. Bond counsel and consultants will attend the November meeting to deliver a presentation and explain the costs associated with converting to fixed rate bonds. They will also go to Township Board the same day to present the options and costs. Depending upon the outcome of the reviews by the DDA Board and the Township Board in November, we may need to reschedule the December DDA Meeting from December 18th to December 11th, to allow for approval of the conversion to fixed rate bonds, by the DDA and by the Township Board, on December 11th. Director Stacey asked that the DDA Board members hold both December dates on their calendar, the 11th and the 18th.

Discussion continued regarding previous savings with variable rate bonds, and costs associated with fixed rate.

- Year-End Advance: Director Stacey – Because of the fact that we did not close Aikens this year, we are projecting a shortfall of \$267,700, with an additional \$200,000 buffer. This has led us to ask the Township Board for a \$500,000 advance. I'm not going in front of the Township Board until November with the request, but I would ask you today to authorize us to put a request in to the Township Board for an advance, not to exceed \$750,000. I'm hoping for the lesser of the two numbers, and we will have almost 30 days until I have to recalculate. I'll tell you the exact figure at next month's meeting.

MOTION by Smith, seconded by Lublin to approve a Year-End Advance Request by the DDA, to the Township Board, not to exceed \$750,000 for future foresight of DDA expenses.

MOTION CARRIED UNANIMOUSLY

- ### **B. Public Relations Committee - Jose Mirkin – Thursday, November 1st at 7:00pm, a DIA representative will be at the Commerce Township Library. We will start preparing the May 2019 K-12 Art Exhibition with the Walled Lake Schools Art Teachers. Our first meeting will take place in the Library during the second week of November.**
- ### **C. Marketing Committee – David Smith – I have nothing to add. Everything has been covered.**

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

Item 10: Other Matters – Draft 2019 DDA Meeting Schedule

- Action is not needed yet on the 2019 DDA Meeting Schedule; however, input is requested from the Board Members regarding any conflicts with respect to holidays or otherwise.
- The next regularly scheduled DDA meeting is Tuesday, November 13, 2018 at 12:00pm. This meeting was moved to the 2nd Tuesday in November due to Thanksgiving week.

- We will know by November 14th if it will be necessary to move the December DDA meeting from December 18th to December 11th to address bond issues.

Item 11: Adjournment

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

MOTION CARRIED UNANIMOUSLY



Melissa Creech
DDA Secretary

10/10/2018 09:13 AM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
INVOICE ENTRY DATES 10/10/2018 - 10/10/2018
BOTH JOURNALIZED AND UNJOURNALIZED OPEN
BANK CODE: DDA
DDA WARRANT REPORT - ADD ON
OCTOBER 16, 2018

Vendor Name	Invoice Date	Description	Amount	Check #
1. DEBORAH WATSON	10/10/2018	ASSISTANT HOURS 9/13 - 10/10/18	787.50	
2. GIFFELS-WEBSTER ENGINEERS	09/17/2018	PROFESSIONAL SERVICES THROUGH SEPT 8, 2018	560.00	
3. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	10/04/2018	PROFESSIONAL SERVICES THROUGH SEPT 30, 2018	3,996.40	
4. MARK STACEY	10/10/2018	DDA DIRECTOR HOURS 9/13 - 10/10/18	5,150.00	
5. MICHIGAN COMMUNITY UNDERWRITERS	09/24/2018	INSURANCE PREMIUM 10/1/18 - 10/1/19	4,817.46	
TOTAL - ALL VENDORS			15,311.36	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			15,311.36	

10/16/2018 09:04 AM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
INVOICE ENTRY DATES 10/16/2018 - 10/16/2018
BOTH JOURNALIZED AND UNJOURNALIZED OPEN

BANK CODE: DDA
DDA WARRANT REPORT - ADD ON
OCTOBER 16, 2018

Vendor Name	Invoice Date	Description	Amount	Check #
1. DETROIT EDISON				
	10/09/2018	2660 E. OAKLEY PARK	95.74	
	10/09/2018	3106 MARTIN PARKWAY	83.16	
	10/09/2018	2581 LIBRARY DR.	608.28	
	10/09/2018	2579 LIBARRY DR.	19.33	
		TOTAL	806.51	
TOTAL - ALL VENDORS			806.51	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			806.51	