

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

CALL TO ORDER: The Meeting was called to order by Steve Matta, sitting in as Chairperson, at 12:00pm.

Downtown Development Authority:

Present: Steve Matta, Member
Larry Gray, Township Supervisor
Debbie Watson, DDA Director
Tim Hoy, Member
Susan Spelker, Member
David Smith, Member
Brian Winkler, Member

Absent: James Gotts, Chairperson (excused)
Dan Lublin, Vice Chairperson (excused)
Jose Mirkin, Member (excused)

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

Director Watson – Attorney Rauch suggested that we might call for a motion to allow for Steve Matta to sit in as Chairperson today.

MOTION by Hoy, supported by Gray, to have Steve Matta act as Chairperson for today’s DDA Meeting. **MOTION CARRIED UNANIMOUSLY**

Item 1: Approval of Minutes

MOTION by Spelker, seconded by Hoy, to approve the DDA Regular Meeting Minutes of October 19, 2021 as presented. **MOTION CARRIED UNANIMOUSLY**

Item 2: Public Comments

None.

Item 3: Resolution – Boy Scout Troop 308

Acting Chairperson Matta – We have a gentleman here from Boy Scout Troop 308. We’re happy to have him in attendance. I think Tim is going to read the resolution for us.

Tim Hoy – Thank you for being a great Scout leader.

Tim Hoy read the following resolution.

WHEREAS, Boy Scout Troop 308 and Scout Leader, Brad Stetson, graciously served the Charter Township of Commerce, assisting the Downtown Development Authority and the Commerce Towne Place Condominium Association, in painting over graffiti in the Martin Parkway Tunnel; and,

WHEREAS, Boy Scout Troop 308 had 21 spirited volunteers in attendance on Saturday, September 25, 2021, despite cold temperatures and rain, to generously donate their time, investing 51.5 Scout volunteer hours toward cleaning up the vandalism that had become an offensive eyesore over the years; and,

WHEREAS, a commitment of the DDA and Commerce Towne Place is to provide and maintain pedestrian-friendly amenities in the community, and the painting performed by Boy Scout Troop 308 helped to preserve and further those goals and objectives by beautifying the Martin Parkway tunnel, which is an important connection through the pathways; and,

WHEREAS, Boy Scout Troop 308, through their proud efforts to eliminate graffiti, have helped the community in its mission to deter and combat future crimes of vandalism and promote a clean and safe environment where Township residents can use and enjoy these amenities.

NOW, THEREFORE, BE IT RESOLVED that the Commerce Township Downtown Development Authority Board Members do hereby extend our sincere and grateful appreciation to Boy Scout Troop 308, and Scout Leader, Brad Stetson, for the Troop's honorable and dedicated service to the community of the Charter Township of Commerce, the DDA, and the Commerce Towne Place Condominium Association.

RESOLUTION ADOPTED at the regular meeting of the DDA this 16th day of November 2021.

Ken Showalter, Scout Leader – On behalf of Brad and Troop 308, I do say thank you for this. This was not necessary, but the boys do appreciate the recognition, especially getting their pictures in the Spinal Column. I know my son received phone calls from local people in the community who saw his picture in the paper. They didn't know he was in Troop 308. We appreciate these opportunities to help out. If more opportunities come about to help out Commerce, we would be happy to be a part of that.

MOTION by Hoy, supported by Smith, to approve the Resolution as presented, honoring Boy Scout Troop 308.

MOTION CARRIED UNANIMOUSLY

Item 4: DDA Informational Meeting

A. Insite Commercial Report

Randy Thomas provided highlights from the Insite report submitted in the DDA Board's packet.

- Parcels A&H – Shapiro's Barrington development; They are starting with the footings and foundation work for the three remaining apartment buildings, which will be fronting Martin Parkway.

- Parcel B1, Phase I – Aikens, Five & Main;
 - I've talked to Bruce on and off during the past month, and it's been mostly upbeat.
 - He has advanced on the gourmet market as far as finishing up the lease. We just have a couple details to get done and then that will be in order.
 - The ICSC that is normally in New York the first week of December is being held in Vegas this year. ICSC recognized that retailers were not participating or attending, and that's a key thing they want to have in there. In order to promote that, they are hosting and have invited retailers to attend for free. This is the first big event that has gone on in retail in two years. Typically, the Vegas show is about 48,000 in attendance, and I think it's at 12,000 right now. They're having the big one in Vegas again in May. This gives us a barometer, and that will give us the direction that the compass is actually pointing.

Acting Chairperson Matta – Is this an event that you attend?

Randy Thomas – We typically would attend. Quite honestly, I don't have the time to go, and I don't think it would be productive for me to go. I think it's imperative that Bruce goes from a developer standpoint.

- Parcel B1, Phase II – Aikens, Five & Main; We have a deadline coming up with Phase II. He has reported back to Township Board regarding getting back in front of Dave and the Planning Commission sometime in January or February for the revised site plan to kick off multi-family with his development partner.
- Parcel B2 – Avalon; I haven't heard anything from them at all.

Dave Campbell – My discussions with them have been regarding signage. They need a new wall sign and a ground sign. We've been working with them, with Deb's guidance, on how we would like that to look and having them up their game on their signage.

- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; I have had requests from a particular auto dealer who is known in the area. They're looking to put a high-end dealership. They're hunting Commerce right now. They talked to us about Parcel C. I told them, if you want to do something, the best course of action is to get a plan together. Sit with Dave and talk through some issues, then go before the Planning Commission for a conceptual site plan review to get an idea of whether that is something they might entertain, if it's something the DDA would entertain. Other than that, we get numerous gas station calls.
- Parcels D&E – Pulte, Merrill Park; Nothing new to report.
- Parcel F – The acreage in front of the Township Hall; Nothing to report, except that we would like to get our sign back up.
- Parcel G – Wycliff; 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; Last month I reported that we had offers on both Parcel J1 and Parcel L. That was the same developer for the same use. I asked them to narrow it down to one offer. I explained that Parcel L was vetted out for Goddard, who is still interested, but corporate wants their other location to operate longer.
- Parcel J2 – Public Storage; Nothing to report.

- Parcel K – The orphan piece across the street; Construction is ongoing at the roundabout for The Space Shop.
- Parcel L – 1.8 acres on Haggerty Road; See above comments.
- Parcel M&N – These are the two out-lots that are being retained within Bruce's development.

B. Asset & Liability Report

Susan Spelker – As Steve mentioned, State law says that we must have no less than two informational meetings every year. Having had one earlier in the year, this will serve as the second one. Therefore, we move onto the Asset & Liability Report. Molly and Deb sat down with me and went over this. We continue to pay down the debt, which requires advances from the Township. Our situation continues to improve gradually and slightly.

Director Watson – I would add the note from the memo provided with your packet, which includes the meeting calendar for 2022. Unfortunately, today's informational meeting was not on the website 14 days in advance as it should have been noticed. Therefore, we will repeat this informational portion at December's meeting. It is noticed on the website and the letters have been resent, so we will be in compliance with noticing requirements for December.

For 2022, I'll have it on the website with the calendar to hold informational meetings in April and November, so we won't have this situation again.

C. Q&A – None.

Item 5: Director's Report

Director Watson provided an overview of the report included in the Board's packet.

I. Updates on Developers –

- Aikens/Five & Main – Bruce provided quarterly updates to the DDA and to the Township Board in October. He plans to break ground in 2022. Refer to Insite report for additional details.
- Merrill Park – Nothing new to report.
- The Avalon of Commerce Township – We have been in communication with staff at Avalon and at Grace Management regarding a representative for CTPA, and with regard to new signage for the facility.
- Shapiro/Barrington – Construction is underway on Unit 11.
- Wynclyff – They await RCOC approval of their entrance light pole. Electrical has been extended to allow for holiday lighting.
- Public Storage – Nothing new to report.
- The Space Shop – Parcel K, Self-Storage; Other than construction being underway, nothing new to report.

II. MTT Judgments – Nothing new to report.

III. Commerce Towne Place HOA Items –

- A. **HOA Budget** – The 2022 budget will be distributed in November, with a goal to finalize a consent action in December. Although we required use of reserves in 2021, due to tree removals and storm damages, the 2022 budget is expected to be similar to 2021.

- B. **Dues** – All 2021 Dues have been paid in full.
- C. **Tax Forms & Reports** – Taxes were completed and mailed timely. The annual report was filed on September 27, 2021.
- D. **Lighting – CJs Lighting, Chris Niestroy; Shaw Electric, Mark Feters, Adam Dornton**
 - Accidents and claims: All lighting related claims have been finalized.
 - We hope to see repairs wrapped up before winter.
- E. **Landscaping – United Lawnscape, Jim Parkinson; Mark Rousseaux; Brian Servello**
 - United is done until spring.
 - United and Rousseaux worked to ensure that the trails were ready for the Outrun Hunger 5K.
 - Two turf damage claims are pending, and additional ruts are suddenly everywhere. Any recent damages will be scheduled for repair in the spring.
- F. **Irrigation – Michigan Automatic Sprinkler, Mike Rennie**
 - The system has been winterized.
 - I have asked Mike to schedule preparing irrigation specs for us in January 2022 so we will have accurate, up-to-date files for future reference.
- G. **Memorial Benches** –
 - We await delivery of the two benches that were donated in Mark Stacey’s honor. They will be installed on each side of the Martin Parkway bridge/tunnel.
 - It will likely be spring before these are installed, depending upon when they arrive.

IV. Other –

- A. Graffiti –
 - As previously reported, the Boys Scouts painted the north wall of the tunnel in September. The south wall was painted by our Maintenance team in October.
 - I am grateful for all of the help we received and the tunnel looks fantastic. Now that all of the graffiti is gone, I sincerely hope we can keep it that way.
- B. Sign Bandit – We continue to work with the Sheriffs and Insite to resolve these issues. No one identified the man in the video that was posted last month, which showed him vandalizing a sign in West Bloomfield.
- C. Speed Limit Signs – There are 45mph signs along Martin Parkway, and roundabouts are posted at 20mph. We discussed the potential to lower the speed limit at our last meeting, and I will share updates with the Board as they are received.
- D. Outrun Hunger, Saturday, November 13th – The race was very successful. We had three Trustees present and everything went smoothly. The group left the Township Hall spotless as they always do. They raised \$22,659 and they’re still counting. They will continue to accept donations through their website until tomorrow at midnight.

Treasurer Phillips – Do we know what they did last year? Is it continuing to grow like they expected it would?

Director Watson – They’re trying to exceed last year’s number which was \$23,000 I believe. They’re hoping to get just above that number before they close it out tomorrow. That will feed

1132 families so far. They did have 221 registrants and 21 sponsors. It was very successful and there were no accidents.

- E. Assistant –
- Abbie landed a full-time position. She will be dearly missed.
 - I will be managing tasks through the holidays and then reposting the position in January or February.
- F. Township Board Meeting – I will defer to Supervisor Gray for an update from the Trustees' November 9th meeting.

Supervisor Gray –

- It was pretty uneventful and brief.
- We did have a lot of preemptive meetings this year for the budget, so once we voted, the discussions were already taken care of. Therefore, the 2022 budget was passed.
- We had one board reappointment for Sarah Grever on the Zoning Board of Appeals.
- We started discussion on a sidewalk ordinance. That will be continued at our next quarterly session in January.
- Just a reminder that we do have a position open for the DDA. I've received 6 applicants and we anticipate receiving a couple more in the near future. If you know of anybody, please have them email me with their interest. We are working through the interview process on December 1st.

Acting Chairperson Matta – Thank you, Deb. Thank you, Larry. Good luck to Abbie.

Director Watson – Yes.

Item 6: Attorney's Report

Acting Chairperson Matta – Tom, good to see you back.

Attorney Rauch – Yes, thank you. I was not here at the last meeting, but you took care of the revisions to the Barrington participation agreements which I appreciate. I have nothing new to report. I'm here to answer questions if you have any.

Item 7: Engineer's Report

Matt Schwanitz, Giffels Webster – Things have been quiet. Nothing new to report.

Item 8: Planning Director's Report

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

- I know you all received a copy of my monthly report that I submit to the Township Board, and I know you all read it diligently so I won't repeat it.
- I will confirm what Randy mentioned. I had a couple conversations about Parcel C with an automotive group who is interested in a potential dealership on that corner. We'll find out together where that goes.
- I always get questions about the M-5 bridge. We did put a camera up on the bridge and I'll be working with IT to get that up and running soon. As for the blue wave panels, we have not received great news from MDOT. They continue to test the metalizing process to keep the panels from rusting.

Discussion continued regarding alternative processes for the wave panels.

David Smith – Is there any cost to us for the testing MDOT is doing?

Dave Campbell – No, so we are patient with the process.

Item 9: Committee Reports

A. Finance Committee – Treasurer’s Presentation

Treasurer Phillips – People always ask about funding for the DDA. Plante Moran created these spreadsheets, and Deb, Susan and I reviewed and updated figures and predictions.

Director Watson – Randy Thomas has also been helpful in these estimates and projections.

Treasurer Phillips brought up the charts on the overhead and discussed the schedule created by Plante Moran. The tabs included Township cash flows, land sales analysis, capture districts, and debt service. Bonds will be paid in 2034. The balance at this time is \$59 million. This is about \$9 million lower than it was several years ago and not because it was paid down. That is as a result of refinancing.

The analysis shows land sales and capture on buildout. The beginning value and sinking fund are shown, along with annual advances and a few potential shortages between now and 2034. Capture increases are conservative and the actual outlook should be better than these projections. In addition, the Township has increased the advance for 2022 to \$2.5 million, and may also do so for 2023. This pushes potential shortages out until the outlier years. Figures are very conservative, including capture increases. Therefore, actual capture may provide coverage for projected shortages.

Discussion took place regarding the overall analysis, buildout values on capturable properties, and potential values for property sales on non-capturable properties. The spreadsheets allow for the numbers to be manipulated as the actual figures are determined, such as for Five & Main, Avalon’s second phase, and potential increases in property values, which will likely be affected by the Five & Main development.

David Smith – So what year do you think we get to the point where capture ... Is there ever going to be a time when we’re not borrowing money from the Township?

Director Watson – 2034 is when the bonds are paid off. At that point, the DDA owes the Township.

David Smith – No hope between now and then?

Director Watson – Maybe in those last few years, but it’s showing a negative. Hopefully it won’t be a negative, because they have been very conservative on estimating that capture.

Treasurer Phillips – When we look at these capture rates, it’s only on the part of the buildout value that we actually capture from. The only other difference is whether or not we’re getting more from the tax base in capture. The way this is set up, we’re only going up by 1.5% a year in property value once it’s built out.

Director Watson – The conservative view.

Treasurer Phillips – Which is not what Commerce Township has been doing. For the almost 7 years I've been here, it has been going up anywhere from 3.4 to 4.8% in property values.

David Smith – If not more.

Treasurer Phillips – If not more. So, this is conservative. When we look at it this year for the audit, we're probably going to change some of those. The other thing we changed last year is that they used to use a discount rate of 3.25%, which was an average of interest between the bank and the investments. This is not reasonable since everything we have at PNC is at zero now. Even Oakland County's investment pool is less than 1%. We lowered this to the 10-year Treasury Bond rate. That will be adjusted each year also. That really sent the debt guarantee skyrocketing because it means the DDA doesn't earn enough interest to cover any of its debt.

Discussion continued regarding construction costs, the sale of Beyond Self Storage, new developments, the value of unsold DDA land and how that impacts the debt service on the charts.

Susan Spelker – In going over the numbers and all the ways that Molly has put them together, she has taken an extremely conservative approach in the interest of fiscal responsibility. The likelihood, the reality of it based on history, is that it's not going to take this long to sell. What's on there and the dollar amounts will probably be more, and the amount of capture will also probably be significantly more than what she has on the sheets.

Treasurer Phillips – I don't have it in front of me, and I don't want to speak incorrectly, but we're budgeting about \$1.74 million and that's based on the tax roll. That's an actual number.

Also in these operating expenses, you see that those are up during years with property sales, because there will be legal fees and commissions. When we get down to the twilight of the DDA, where all of the properties are sold and management of the DDA becomes part of Commerce Towne Place Association, these are probably overstated for what's going to be necessary to keep the DDA running. At that point, everything the DDA makes goes toward paying the Township back.

Director Watson – There won't be a need for a DDA office at that point.

Treasurer Phillips – Yes, and no \$100,000 to the Township.

Director Watson – Right, and Commerce Towne Place will be run by a management firm.

Discussions continued regarding the bond principal and interest, repayment of debt to the Township, and updating the spreadsheets with actual increases in property values. MTT judgments have been factored in. Treasurer Phillips noted that the DDA does not sunset until all of the funds are paid back to the Township.

Tim Hoy and Randy Thomas discussed COVID impacts, product shortages and the status of construction in the commercial real estate market.

Treasurer Phillips and Randy Thomas discussed the work hybrid model and impacts upon office space.

Randy also noted that the residential and industrial markets are both still on fire.

- B. Public Relations Committee – Director Watson – Jose did not have anything to report.
- C. Marketing Committee – Marketing Chair, David Smith – Randy has regaled us with the prospectus and possible interests. We have gone through the dissertations. I have nothing to add.

Item 10: 2022 DDA Budget – Final Approval

Treasurer Phillips – I don't think anything changed from the first budget approval by the DDA. It went to the Township Board where it was approved, and then traditionally, it comes back here so we know there have not been any changes.

MOTION by Spelker, supported by Hoy, to approve the final 2022 DDA Budget.

MOTION CARRIED UNANIMOUSLY

Item 11: Approval of Warrants and/or Carryovers, Add-ons, Revenue & Expenditure

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

MOTION CARRIED UNANIMOUSLY

Item 12: Other Matters

- Acting Chairperson Matta – I spoke with Jim this morning and his wife is doing very well.
- Director Watson – I spoke with Bennett yesterday and Dan is doing well also.

The next regularly scheduled DDA meeting is Tuesday, December 14, 2021 at 12:00pm, at which time an informational meeting will also be held.

Item 11: Adjournment

MOTION by Winkler, seconded by Hoy, to adjourn the meeting at 12:55.

MOTION CARRIED UNANIMOUSLY



Melissa Creech
DDA Secretary

11/09/2021 02:00 PM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 11/16/2021 - 11/16/2021
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: DDA
DDA CARRY-OVER REPORT
NOVEMBER 16, 2021

Vendor Name	Invoice Date	Description	Amount	Check #
1. ABIGAIL ROSE MUNDY	11/03/2021	DDA ASSISTANT 10/13 - 11/3/2021	680.00	
2. COMMERCE TOWNSHIP TREASURER	10/15/2021	PAINT SPRAYER TO REIMB COMMERCE TWP	681.98	
3. DEBORAH WATSON	11/09/2021	DDA DIRECTOR 10/13 - 11/9/21	5,650.00	
4. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	11/03/2021	PROFESSIONAL SERVICES THROUGH 10/31/2021	2,245.92	
TOTAL - ALL VENDORS			9,257.90	
FUND TOTALS:				
Fund 499 - DOWNTOWN DEVELOPMENT AUTHORITY			9,257.90	

11/09/2021 01:53 PM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 10/26/2021 - 11/09/2021
BOTH JOURNALIZED AND UNJOURNALIZED PAID
BANK CODE: DDA
DDA CARRY-OVER REPORT
NOVEMBER 15, 2021

Vendor Name	Invoice Date	Description	Amount	Check #
1. DETROIT EDISON				
	10/13/2021	2660 OAKLEY PARK	106.74	2251
	10/12/2021	3106 MARTIN PARKWAY	107.55	2251
	10/13/2021	2579 LIBRARY - IRRIGATION	184.18	2251
	10/13/2021	2581 LIBRARY DR.	819.17	2251
		TOTAL	<u>1,217.64</u>	
TOTAL - ALL VENDORS			1,217.64	
FUND TOTALS:				
Fund 499 - DOWNTOWN DEVELOPMENT AUTHORITY			1,217.64	

11/16/2021 09:00 AM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
INVOICE ENTRY DATES 11/16/2021 - 11/16/2021
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: DDA
DDA ADD-ON REPORT
NOVEMBER 16, 2021

Vendor Name	Invoice Date	Description	Amount	Check #
1. DETROIT EDISON				
	11/10/2021	2660 OAKLEY PARK	107.55	
	11/10/2021	3106 MARTIN PARKWAY	97.32	
	11/10/2021	2581 LIBRARY DR.	799.24	
	11/10/2021	2579 L;IBRARY DR. IRRIGATION	19.25	
		TOTAL	1,023.36	
TOTAL - ALL VENDORS			1,023.36	
FUND TOTALS:				
Fund 499 - DOWNTOWN DEVELOPMENT AUTHORITY			1,023.36	