

**CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY**

**Tuesday, July 18, 2017
Commerce Township Hall
2009 Township Drive
Commerce Township, MI 48390
12:00 p.m.**

CALL TO ORDER:

The Meeting was called to order by Chairperson Gotts at 12:00 p.m.

Downtown Development Authority:

Present: Mark Stacey, DDA Director
James Gotts, Chairperson
Dan Lublin, Vice Chairperson
Brian Winkler, Member
David Smith, Member
Susan Averbuch, Member
Tim Hoy, Member
Susan Spelker, Member

Absent: Jose Mirkin, Member (excused)
David Scott, Township Supervisor (excused)

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

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Spelker, to approve the Regular Meeting Minutes of June 20, 2017 as presented.

MOTION CARRIED UNANIMOUSLY

Item 2: Public Comments

None.

Item 3: Insite Commercial Report

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

- **Parcels A&H - Jim Galbraith:** We had the pre-con for the installation of the sewer. They're starting the underground and they won't go vertical until probably fall of next year.

Susan Averbuch - I know Jason contacted Campbell Creek with regard to the construction.

Director Stacey - They have started moving equipment onsite. They were pushing dirt around and they will be going into the dewatering phase first, bringing down the water table level before they dig in the 40-foot sewer mains. I think they were hoping to be done with this part of the process around September 1st, Dave?

Dave Campbell - I don't remember them stating a specific date, but it's going to be quite a project. They're going down quite a ways.

- Parcel B1 - Aikens parcel: Feedback from tenants has been positive. They're pushing Bruce to create something unique with cool restaurants, more boutique shops, et cetera. We have a meeting set up with the proposed market. There is a letter of intent on the table and that's moving in a positive direction right now. Bruce is also working on acquiring the library parcel. There's a confidentiality agreement attached to it, but there was some positive feedback from the Board. His leasing team had good things to report. I believe he's intending to get in front of the Planning Commission this fall to start the site plan approval process.
- Parcel B2 - Granger: The building is going up.

Director Stacey - We had Granger in for a meeting last week. They're looking at September 15th for C of O, and then they need a State certificate before they can move residents in, which takes approximately an additional two weeks. October 1st is their time frame and they're making progress.

- Parcel C - Corner of Pontiac Trail and Haggerty Road: I get inquiries quite a bit. The vast majority are curious. We don't have any hard offers yet. We have interest by a group, but the broker did not have a timeline yet. Hopefully I'll have more on that next month.
- Parcels D&E - Pulte: They have 17 lots sold and 7 more under reservation. The homes are averaging \$650,000. I'm meeting with Pulte again tomorrow for an update, but they're very happy with it. Did they indicate when they will open Phase 2?

Director Stacey - It's open, and they're digging basements.

- Parcel F - We had the medical office building where the surgery center was going to go in. We were awaiting their vote. Unfortunately, the doctors have decided to stay where they're at. Out of 25 votes, they only received 8 yes and 17 no. Everybody I was dealing with there was surprised at the outcome, as there was a significant investment already. The parcel is back on the market. That's really one of the nicest pieces we have left and it will move.
- Parcel G - Wyncliff/Hunter Pasteur: Nothing new to report.
- Parcel I - You'll recall we did have an offer for a childcare center with a high-tech industrial building in the back. Since then, he's not sure what he wants to do. I'll give you an update soon.
- Parcel J - Corner of Oakley and Haggerty: NorthPoint, the group doing the indoor storage, had conceptual site plan review at the Planning Commission last week. It was unanimous across the board that this was something they would like to see over there. They will be held to a high standard for the building appearance and landscaping. They're a very professional group, very fast and accurate.

Dave Campbell - They officially submitted their site plan and Special Land Use applications. Self storage is a Special Land Use in the Haggerty Overlay District. The Special Land Use public hearing will be noticed this week for the Planning Commission meeting on August 7th.

Director Stacey - It's my understanding it is their intent to be in the ground this fall; however, an issue arose that has to be dealt with. It's an easement for drainage on the property.

Attorney Rauch - There is an existing easement which was put on the property when the original plat was approved and it was required by the Township. It was on the periphery of the property,

but it also projected into the southeast corner of the property being sold. It needs to be vacated for NorthPoint to go forward with their project. Because it was a part of the subdivision plat, Michigan law requires a separate circuit court proceeding to amend the plat. Apparently, this would be construed as a plat amendment. Just yesterday, NorthPoint retained competent, local counsel to process a plat amendment. I forwarded him copies of the documentation so we can get started, but they could have a delay of several months depending on how busy the Circuit Court docket is. I'll keep you up to date. NorthPoint understands that they are responsible to obtain this, and we will assist where we can. The DDA may wind up as the plaintiff in the court action if the statute requires it, but this is more of a technical matter than a significant one.

- Parcel K - Orphan Piece on Pontiac Trail: No action and nothing new to report.
- Parcel L - 1.8 Acres on Haggerty: This was the piece that was cut off on the back end of the Pulte development near their park. This parcel fronts Haggerty. Within 5 days, we've received two offers. One is from a childcare facility, and the other is from a sports complex center, similar to Oakland Yard Athletics. The sports group is looking to acquire the Affairs to Remember building, along with the DDA Parcel L. I gave an update to the Marketing Committee earlier. They've given me direction on how to go back, and hopefully we will have a couple offers for the Board to consider next meeting in the purchase agreement form.
- Parcel M&N - These are the outlots that the DDA is retaining within the Aikens development. As we discussed today, these are on the market but the parcels become much more valuable as Bruce's development comes to fruition.

Item 4: Director's Report

Director Stacey reported the following to the Board:

- **State Reporting**
 - Annual Report and Qualifying Statement were both filed with the State
 - Based on the last FOIA request, we became aware that we are required to publish the Annual Report in the newspaper. We are going to do this to keep in compliance. We have gone out for pricing. The Oakland Press was \$1,000 to publish, and we are still awaiting a reply from the Spinal Column. We do have publishing as a cost item in the budget, and this is something that will be done between now and the next meeting at the lowest cost we can find.
- **Updates on Developers - (Covered by Randy)**
 - Aikens - Commercial Project - *covered*
 - Pulte - Merrill Park - *covered*
 - Granger - First & Main - We had the Granger meeting a week ago.
 - They gave us their timeline. The outside of the building - I've had some questions about what the material is. Is that aluminum siding? The answer is no. It's HardiPlank board, the white siding. That is the finished color for it. The Planning Department went back to the plans, and it was approved in a white tone. By the time they're done, I'm sure it will look fine, as the picture looks nice.
 - We asked Granger for the meeting to address the sprinkler bill issue for the HOA. There was damage to the sprinkler system in the amount of \$7,500 that we had to pay for, and we back billed Granger. We have not yet received a check from them. They have had a number of changes internally, and they have two new people on it. We laid out our case and explained that they were made aware of this upfront. They agreed they knew about it. They damaged it and they agreed with that, but they don't

like the price of the bill. The price is what it is from the vendor. They will go back and investigate it, and meet with Mike Rennie from Michigan Automatic Sprinkler. We are working hard to recover those funds from Granger.

Matt Schwantz - I might add that at the pre-con, there was a handout that's done by us. It says, contact the DDA; there are sprinklers and we have a staking company.

Director Stacey - We did everything we could to inform them.

- Shapiro - Barrington - *covered*
- NorthPoint Self-Storage - *covered*
- **MTT Judgments** - None
- **HOA Items**
 - **Dues** - All 2017 dues are current
 - **Lighting - CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene**
 - Fully functional
 - No recent issues
 - **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
 - The system is up and running.
 - We've included invoices for repairs that are both HOA and DDA. When we did the sidewalks, which are now completed, there were a number of things that happened to the sprinkler system. We knew that would happen and we had to move lines and heads to make adjustments. Those bills have been applied as construction cost, but there were also normal repairs.
 - **Landscaping - United Lawnscape, Jim Parkinson**
 - United has finished the east side trail cleanup.
 - All trails have been trimmed back so that the head clearance is fine.
 - They also came in and removed 5 of the 6 large trees in the center median of Martin Parkway. The 6th tree is too big and will need to be taken down by a different contractor.
 - The site looks pretty good. When I drive through, I like it to look like a golf course, but we're in the middle of a construction zone. Considering the activity, they are keeping the property up well for us.
 - We had a meeting with RCOC concerning the roundabout fencing at Pontiac Trail and Martin Parkway. We discussed how to get the fencing removed that is intended to block the site lines. In that meeting, Dave Campbell was also there. The RCOC said yes, we like the idea of keeping something up to block the site lines. Although the crash numbers have not decreased significantly, the speed of the accidents has reduced from 29 mph to 21mph. The lower speed results in less injury and less damage. Now we have to find a landscaping solution to block the site lines, and we have to find a solution of who is going to pay for it. RCOC does not have it in their budget. Obviously the DDA can't pay for it. They're going to look for different funding through the State. They've said they would like to see a landscape proposal for the two site line issues, where the fencing is, generated by our office, to use as a starting point. We have contacted Giffels Landscape Engineer. He will come out and take a look, then give us an idea of the scope of the project.

Dave Campbell - My understanding coming out of that meeting was that the RCOC was saying, we think the fencing is effective. We want to do something permanent, but we only want to do it on the south and east legs of the roundabout as those are the problem areas. They also said, if the DDA wants to be part of this, we could do something similar on the north and west legs to create a cohesive landscape feature throughout the roundabout. They wanted to know what the Township and DDA want to see there. I just talked with Giffels yesterday, and he is going to develop the scope with an estimated cost.

Director Stacey - We did also talk about hardscape, such as a boulder wall; however, the issue then becomes the car accidents and people seem to run into everything out here. We will have more to report on the roundabout landscaping next month.

Item 5: Attorney's Report

DDA Attorney, Thomas Rauch - In addition to what I had already mentioned, we've spent quite a bit of time on the NorthPoint development, and the new LOI's. We will now take those to the next level. Other matters have been relatively light this past month.

Item 6: Resolution Approving Extension of PNC Bank Letter of Credit for Series 2008 Township Bonds

Treasurer Phillips explained the proposed extension, the basis points and the different terms for extending the letter of credit. The commitment letter was signed and Bowden Brown went through the terms of the renewal. This is basically ratifying that, yes, we want to renew the letter of credit. The Township Board signed the resolution at their last meeting.

Attorney Rauch added that routinely, bond counsel likes a formal resolution. This is similar to, and consistent with, the form we have used for significant decisions by the Board. The resolutions have to be distributed to the title companies and other parties that require evidence of the authority of the approval. It has already been approved by the Township Board.

MOTION by Lublin, supported by Spelker, to approve the Resolution Approving Extension of the PNC Bank Letter of Credit for Series 2008 Township Bonds.

Discussion -

Smith - What's the total amount on this bond?

Phillips - We currently owe \$34.4 million.

Smith - That's the largest amount?

Phillips - Yes.

Smith - In a nutshell, this will do what for us?

Phillips - It's the last variable rate interest bond that's outstanding for the Township, and since it is a variable rate, we're required by the debt instrument to have a letter of credit backing it up. PNC is one of the few banks left in the area that is big enough to put a letter of credit out for a \$34 million debt. There are other banks that are big enough to do it, but they've gotten out of doing letters of credit.

Smith - What's our fee for that?

Phillips - It's .7 basis points, based on the outstanding balance of the debt, and the rate is guaranteed for 5 years.

ROLL CALL VOTE:

AYES: Lublin, Spelker, Smith, Gotts, Winkler, Averbuch, Hoy

NAYS: None

ABSENT: Mirkin, Scott

MOTION CARRIED UNANIMOUSLY

Item 7: Engineer's Report

Matt Schwanitz, Giffels Webster, reported that all testing reports have come in for the sidewalks in the open space. They met the density and performance tests. The last thing is maintaining inspection until the grass and plantings have reestablished over the next few weeks, but it is coming up good. The silt fence will then be removed.

On the roundabout landscaping, one thing to be seriously considered is that most of the evergreen plants used for screens are not that tolerant of high-salt areas. The road has a fairly high speed and there will be extensive salt spray on these landscaped area.

Director Stacey added that these areas are also storage for snow during the winter. Chairperson Gotts stated this should all be covered in the report provided by the Landscape Engineer.

Vice Chairperson Lublin discussed the invoices and report submitted by Jason Mayer regarding the final sidewalk report, with a total cost of \$195,053, which was \$42,950 under budget. He inquired about the requested approval for the \$5,000 for G2. Matt Schwanitz explained that there was extra testing during construction on questionable areas. Vice Chairperson Lublin added that the total then was \$195,053 plus the \$5,000, which still came in under budget. Director Stacey noted that the G2 invoice was included in the warrants, and it will come out of the sidewalk budget.

Item 8: Planner's Report

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

- I've had a number of conversations with folks about the Beaumont parcel which is for sale now. These have been with heavy-hitter developers and they all seem to be looking to do some kind of residential on the site. This doesn't surprise me. Wherever this goes, the stakeholders are; Beaumont as the seller, the developer as the buyer, and the DDA also because Beaumont had an agreement about the fire station. Also remember, the Rail Trail borders along the north side of that property. Hopefully whatever is done with the property somehow takes advantage of its access to the Rail Trail.
- One of the concept plans before the Planning Commission at the last meeting was a new banquet center on the south side of Oakley Park, just east of Martin Parkway, next to the Township cemetery. The applicants are two brothers who live here in Commerce, and they operate a place in Livonia called One Under. Apparently it's a great place and we received numerous endorsement letters regarding their business. They want to build a banquet facility on that property with a bar restaurant and a standalone office building. The Planning Commission seemed pretty open to that concept. They have to request a zoning amendment for that property, and that will be on the August 7th agenda.
- The Township Board adopted an amendment to the Zoning Ordinance regarding alcohol retailers. The new Special Land Use standards create greater spacing requirements for where alcohol retailers can be located. This includes liquor stores, party stores and gas stations with beer, wine and liquor. When it comes to the Aikens development, that will likely be developed as a PUD as it would make more sense for Bruce, the Township and the DDA. Within those new standards as adopted, there is an exception for PUD's. The rationale is that a PUD has an agreement with very specific standards on how the operators can do business, which go above and beyond the Zoning Ordinance. These new standards would not apply to what Mr. Aikens wants to develop on his property.

Tim Hoy asked if there is a limit on how many restaurants they can put into the Aikens site that will serve alcohol. Dave Campbell explained that these standards don't apply to bars and

restaurants where you sit and have your drink onsite. It's only places where you buy the alcohol and take it somewhere else. Obviously they need to get a liquor license for each, and there's a process for that, but from a land use standpoint, there aren't any limitations.

Susan Averbuch inquired about Williams International. Dave Campbell replied that what's being reported is that they are moving their operations from Commerce to Pontiac, and they are getting a good deal from the State to do so. Behind the scenes, it has also been heard that they do want to maintain a presence in Commerce, so they may not be pulling out of Commerce entirely. This is all anecdotal.

Open discussions continued regarding the Beaumont parcel, the Williams International site, potential developments for each, the Township's views on multi-family proposals, and liquor licenses available in Commerce.

Item 9: Committee Reports

- A. Finance Committee – Director Stacey thanked the Board for approving the documentation needed for the PNC Letter of Credit. He and Treasurer Phillips discussed the increasing variable debt costs.
- B. Public Relations Committee - Jose Mirkin provided a report by email. "The PRC in partnership with the Detroit Institute of Arts, through their Inside/Out program, will display 5 or 6 reproductions of master pieces from their collection at our Commerce Twp. Library. The exhibition will take place from Monday, August 7 to Monday, August 15, 2017. On Thursday, August 10, from 7:00 to 8:00 P.M. a representative of the DIA will speak about the artists and their work. The library will advertise this event".
- C. Marketing Committee – David Smith felt that Randy Thomas had summed up most of the information. David discussed the plat amendment for NorthPoint and he noted that although it may extend the Purchase Agreement timeline, the DDA will not incur any costs in this regard. He briefly addressed the significant interest in the Haggerty Road parcel and the direction for the two LOI's received. In closing, he also discussed Aikens development, which Bruce is working diligently on and it's moving forward in a very positive direction.

Item 10: Approval of Warrants and/or Carryovers, Add-ons, Revenue & Expenditure

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

MOTION CARRIED UNANIMOUSLY

Item 11: Other Matters

- **The next regularly scheduled DDA meeting is Tuesday, August 15, 2017 at 12:00pm.**

Item 12: Adjournment

MOTION by Spelker, seconded by Hoy, to adjourn at 12:42pm.

MOTION CARRIED UNANIMOUSLY



Melissa Creech
DDA Secretary

User: JBUSHEY

INVOICE ENTRY DATES 07/12/2017 - 07/12/2017

DB: COMMERCE

BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

BANK CODE: DDA

DDA WARRANT REPORT FOR BOARD APPROVAL

JULY 18, 2017

Vendor Code	Vendor Name	Date	Invoice	Description	Amount
ISON	ADKISON, NEED & ALLEN	06/30/2017	6302017	DDA MATTERS	69.00
TOTAL FOR: ADKISON, NEED & ALLEN					69.00
WATSON	DEBORAH WATSON	07/12/2017	2017 JUNE/JULY	DDA ASSISTANT HOURS 6/15 - 7/12/17	710.00
TOTAL FOR: DEBORAH WATSON					710.00
MISC	G2 CONSULTING FROUP, LLC	06/30/2017	171547	DDA SIDEWALKS QUAITYL CONTROL AND TESTING	5,000.00
TOTAL FOR: G2 CONSULTING FROUP, LLC					5,000.00
GIFFELS	GIFFELS-WEBSTER ENGINEERS	06/28/2017	114109	PROFESSIONAL SERVICES	560.00
		06/28/2017	114133	DDA PATHWAYS	14,828.50
TOTAL FOR: GIFFELS-WEBSTER ENGINEERS					15,388.50
KEMP	KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	07/06/2017	183990	PROFESSIONAL SERVICES THROUGH JUNE 30, 2017	10,759.88
TOTAL FOR: KEMP, KLEIN, UMPHREY & ENDLEMAN, PC					10,759.88
STACEYMARK	MARK STACEY	07/12/2017	0615-0712-2017	DDA DIRECTOR 6/15 - 7/12/17	4,000.00
TOTAL FOR: MARK STACEY					4,000.00
MICHAUTOSP	MICHIGAN AUTOMATIC SPRINKLER	06/27/2017	85819	REPAIRS DUE TO SIDEWALK INSTALLATION	2,201.25
TOTAL FOR: MICHIGAN AUTOMATIC SPRINKLER					2,201.25
OFFEXPRESS	OFFICE EXPRESS	07/11/2017	274317-0	OFFICE SUPPLIES	53.12
TOTAL FOR: OFFICE EXPRESS					53.12
PLANTMORAN	PLANTE & MORAN	06/29/2017	1452435	PROFESSIONAL SERVICES RENDERED	2,050.00
TOTAL FOR: PLANTE & MORAN					2,050.00
TOTAL - ALL VENDORS					40,231.75
FUND TOTALS:					
Fund 499 - CAPITAL PROJECTS - DDA					40,231.75

User: JBUSHEY

INVOICE ENTRY DATES 06/21/2017 - 07/11/2017

DB: COMMERCE

BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

BANK CODE: DDA

DDA CARRY-OVER REPORT FOR BOARD APPROVAL

JULY 18, 2017

Vendor Code	Vendor Name			
Date	Invoice	Description		Amount
DETROIT EDISON				
06/21/2017	910007710650	7/6/ 2660 OAKLEY PARK		86.12
06/21/2017	910007710767	7-6- 3106 MARTIN PARKWAY		74.70
06/21/2017	910007710866	7/6/ 2581 LIBRARY DRIVE		555.40
06/21/2017	910007711005	7-10 2579 LIBRARY DR		19.98
TOTAL FOR: DETROIT EDISON				736.20
TOTAL - ALL VENDORS				736.20
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA				736.20

User: JBUSHEY

INVOICE ENTRY DATES 07/18/2017 - 07/18/2017
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

DB: COMMERCE

BANK CODE: DDA

DDA ADD-ON REPORT FOR BOARD APPROVAL

JULY 18, 2017

Vendor Code	Vendor Name		Amount
Date	Invoice	Description	
GENFUND	COMMERCE TWP. GENERAL FUND		
07/17/2017	71717	DDA PORTION OF H.J. UMBAGHT & ASSOCIATES BILL	225.00
TOTAL FOR: COMMERCE TWP. GENERAL FUND			225.00
DTE	DETROIT EDISON		
07/13/2017	910007710650 8/7/	2660 E. OAKLEY PARK	79.65
07/13/2017	910007710767 7/13	3106 MARTIN PARKWAY	69.48
07/13/2017	910007710866 8/7/	2581 LIBRARY DR.	508.37
07/13/2017	910007711005 8/7/	2579 LIBRARY DRIVE IRRIGATION	335.41
TOTAL FOR: DETROIT EDISON			992.91
MICHAUTOSP	MICHIGAN AUTOMATIC SPRINKLER		
07/12/2017	86081	REPAIRS DUE TO SIDEWALK	2,556.25
TOTAL FOR: MICHIGAN AUTOMATIC SPRINKLER			2,556.25
TOTAL - ALL VENDORS			3,774.16
FUND TOTALS:			
Fund 499 - CAPITAL PROJECTS - DDA			3,774.16