

Final
CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, February 20, 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 (arrived at 12:10pm)
Brian Winkler, Member
Tim Hoy, Member

Absent: David Scott, Township Supervisor (excused)

Also Present: Melissa Creech, DDA Secretary
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
Steve Kiryakoza, Wyncliff HOA President

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Mirkin, to approve the Regular Meeting Minutes of January 16, 2018 as presented.

MOTION CARRIED UNANIMOUSLY

Item 2: Public Comments

None.

Item 3: Downtown Presentation and Discussion

Director Stacey stated that he had asked Randy Thomas to put together a presentation for the Aikens project, Five & Main, which is Parcel B, Unit 9. He explained that Bruce Aikens had scheduling conflicts with his travel schedule and therefore could not be present today; however, Randy would deliver the presentation to update the Board on where the project is at, and where the development is going from a total design standpoint.

Randy Thomas handed out packets to the Board members, and provided a detailed review on the overhead. He explained that Bruce Aikens is striving to achieve a mixed-use development, including restaurants, shops, entertainment, and a residential component. The residential is an important component for establishing the downtown development, and it will assist in getting it off the ground from an economic standpoint.

Randy reviewed the site layout for the theater, market, retailers, common areas and restaurants. The integrity of the downtown remains the same as previously planned. Bringing in the residential component will promote a lively, downtown area, 24/7. He indicated the areas on the plans intended for residential, which would consist of smaller, high-end units and he discussed pricing and target markets.

The presentation included photos and examples of the following five comparable shopping centers; Avalon, Deer Park Town Center, Americana at Brand, Crocker Park and Southlake Town Square. Randy explained the integration of residential above retail in these developments. The purpose is to create activity. These are not traditional shopping centers; they have more of a downtown atmosphere. Randy reviewed each project in detail, noting that all of these are highly successful developments, with high demand for the residential component.

Director Stacey added that the residential would be sought out for the amenities and not for the square footage. There is a trend toward people wanting an amenity-based lifestyle, with services such as a concierge, valet parking, and a dog walker. The high-end quality and services will make this successful, and for those who are seeking additional square footage, they would be looking at the Barrington development.

Susan Averbuch asked if these residential units in the Aikens development would be rentals. Director Stacey replied yes. Randy confirmed and discussed the target markets and price points further. He also explained that people who live in these environments tend to take ownership of their downtown neighborhood. Open discussions took place regarding parking for the residential units, which would include some ground level and street spaces. Randy Thomas indicated that ample parking is anticipated.

Randy Thomas proceeded to elaborate regarding strategies for securing tenants for the Aikens development. He reviewed the plans and explained the stages of negotiations for the various tenants, including those for which leases have gone out, other with letters of intent, and those that are holding their real estate committee meetings soon. There have been tradeoffs in the negotiations on major deals, but these will secure the balance of the other tenants. Randy noted that there will probably be a hotel component in Phase II. He also noted the pads that would be retained by the DDA on the site. In closing, Randy indicated that Bruce Aikens continues to persevere, and he is certain that the residential component will help economically to promote the project, move it forward and make it sustainable.

Item 4: Insite Commercial Report

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

- Parcels A&H – Jim Galbraith: Barrington continues their redesign for the dewatering. They are working through the issues. They will probably go vertical late next year.
- Parcel B1 – Aikens property: *Covered above.*
- Parcel B2 – Granger: They are moving people in, and there are now residents living there full-time.

Dave Campbell – There is a limitation due to State licensing that they can only move 6 or 8 people in per day.

Randy Thomas – Do you know if they have a reservation list?

Dave Campbell – I don't. The general contractor gave me that information, but I'm under the impression that they will have no problem getting the place filled.

- Parcel C – Corner of Pontiac Trail and Haggerty Road: I continue to get gas station inquiries, but we all know that is never going to happen. One group talked about retail here, but I've had no one with serious interest, and that's okay because the property will become more valuable over time.
- Parcels D&E – Pulte, Merrill park: They're about halfway to completion.

Director Stacey – They have sold 42, and have 27 left. All three phases are now available for purchase. They made a lot of progress over the winter. Drive through it if you have a chance.

- Parcel F – Acreage in front of Town Hall: Nothing new to report.
- Parcel G – Wyncliff – I think all homes are now occupied.

Steve Kiryakoza – There's one left that's under construction. The owner said it should be done in August.

- Parcel I – Acreage north of Town Hall: This is where we have Gilden Woods, and they will be in front of the Planning Commission March 5th.

Dave Campbell – That's what they're shooting for. Their plans are out for review right now, but we are targeting the March 5th Planning Commission Meeting. That's a straight site plan, so that is something that could be approved by the Commission that night, if they have everything in order.

Randy Thomas – They operated much like NorthPoint, who did the self-storage, very organized and efficient.

Dave and Randy discussed the architecturals. Dave explained that he had asked for some improvements after reviewing the preliminary drafts.

- Parcel J1 – This is the hard corner of Oakley Park and Haggerty; 2.3 acres: We are marketing this separately from the other pieces.
- Parcel J2 – Northpoint's Beyond Self-Storage: Director Stacey report that their building is going up. They've been working every day throughout the winter. Their first floor is close to being done, and they're proceeding to the second floor soon.

David Smith inquired about the building design and exterior. Director Stacey explained that only the interior has been put up so far. None of the exterior materials have been put on the building yet, but it's going to look nice by the end.

- Parcel K – The orphan piece: I last reported that there was the potential of something happening in that quadrant of the Township. I think from a cost standpoint, it's probably not going to happen now, but we will continue to work with them.
- Parcel L – 1.8 acres on Haggerty: I had a conversation with the group that we had the LOI from, trying to revisit this for the athletic facilities. He asked if I could put something together with the neighbors, but I'm not sure anything will happen.

Dave Campbell – This is the first I'm hearing that the talks have resurfaced.

Randy Thomas – They reached out.

Dave Campbell – The idea there would be to use the existing building as an indoor training facility, and then the DDA’s vacant parcel would be an outdoor multi-purpose training field.

Randy Thomas – Yes, same as before.

- Parcels M&N – The two outlots retained by the DDA in Bruce’s development: As the project gets developed, then we’ll start talking to end users.

Director Stacey – Thank you, Randy.

Item 5: Director’s Report

Director Stacey reported the following to the Board:

- **Updates on Developers**
 - Aikens - Commercial Project – Sub-PUD Timeline

Director Stacey – Dave, could you elaborate on the timeline for the PUD?

Dave Campbell – It’s a two-step process for Mr. Aikens to get his PUD approved. The PUD is a Planned Unit Development, which is a development method that he has agreed to go through with the Township. It’s better for him and it gives more flexibility, both for him as the developer and for the Township. The PUD has to be approved by both the Planning Commission and the Township Board. Mr. Aikens is tentatively scheduled to be before the Planning Commission at a special meeting on March 19th. If all goes well and he receives a formal recommendation of approval of the PUD, then he will advance to the Township Board, potentially at their April meeting.

The shopping center convention out in Las Vegas is the second half of May. He’d like to be at that convention being able to say that he has his development approved. There is some cushion built-in to the timeline if an extra meeting is necessary. We also want Mr. Aikens to get in front of the Township Board at their March meeting for an informal conversation to talk about this residential component, before they see it as a formal submittal, hopefully in April. He also has some things to work out with the DDA as far as actually buying the property.

Director Stacey – Thank you, sir.

- Pulte - Merrill Park – *Covered above.*
- Granger - First & Main – *Covered above.*
- Shapiro - Barrington – *Covered above.*
- NorthPoint - Beyond Self-Storage – *Covered above.*
- Gildden Woods – *Covered above.*
- **MTT Judgments** - None
- **HOA Items**
 - **Budget** – Approved
 - **Dues** – Invoices sent out for 2018

Treasurer Phillips noted that Wyncliff paid their first quarter dues last week, and the DDA check was cut today.

- **Taxes** – The HOA Tax forms were filed 01/18/18.
- **Lighting** - CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene

- Drivers were replaced
- We've placed an order for restocking our lighting system parts. We do not have a delivery date yet on that. The quote is included in packet.
- **Landscaping - United Lawnscape, Brian Sparks**
 - Contract renewed for 2018
- **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
 - We're getting a quote for a part, the suction filter check valve on the main pump.
 - That will be ordered and replaced by the spring start-up.

David Smith inquired about where the spare lighting parts are stored. Director Stacey stated that they are stored at the DPW, which is the old Town Hall.

Item 6: Attorney's Report

DDA Attorney, Thomas Rauch – The Memorandum of Understanding that you saw last month has been implemented with Beaumont. We now have signed copies.

As we reported a number times over the years, the project has evolved to where the Beaumont property is for sale. When it is finally sold, the DDA, with the help of the Township and the Township Attorney, have now negotiated a successful resolution to the questions regarding the fire station, the training room, et cetera.

The other issue is the Walmart Amendment to the Storm Water Easement, which is our next item.

Item 7: Walmart Easement

Attorney Rauch – I forwarded the final form of the Amendment to each of you last week with a short explanation. Over the last few years, and after Walmart built their facility in 2006, a number of post-closing matters needed to be addressed with Walmart, including the property to the east, the property to the west, and the irregular access to the Walmart site.

At that time, you may remember that Homedics was going to become a user of the detention pond. They were going to expand their facility. That got put on hold a few years ago and is not moving forward.

A couple years ago, we refreshed the idea of the storm water amendments, post-closing to the land exchange, which was back in 2006, 12 years ago now. With the cooperation of Walmart's attorney at the Dawda Mann law firm, we've been able to make the relatively minor amendments and changes, and the document has been processed for signatures.

This is timely for a number of reasons, most importantly Unit 9, the Aikens development, which is together with, and subject to, the use of this detention pond. Therefore, we're confirming with this document, that not only Unit 8, (Granger), and all of Unit 9, after the split for Phases I and II, as well as the Library property are all now stated as beneficiaries of the detention pond, and that was always the original intention. This will be recorded properly, and it will then appear in Aikens' revised title work.

MOTION by Smith, supported by Lublin, to approve the Walmart Amendment to Storm Water Easement.

Discussion –

Smith – Is there an operating agreement for the maintenance of that pond?

Rauch – The detention pond maintenance is governed and provided by a separate document, a detention pond easement. In the past, we had also proposed to amend that document, which was initially due to the expansion of the Homedics project. When that went away, we decided that the amendment was unnecessary. The responsibility for maintenance is based on the area of the

properties that use the detention pond. Aikens will be a significant user with Walmart; I don't know if Granger was engineered to use it or not.

Schwanitz – They are not physically going into that pond.

Rauch – So, although Granger is stated as being a potential beneficiary, they have no responsibility for maintenance since they don't use it.

Smith – The pond is partially on Walmart's property and on our property?

Rauch – It is 90% on Unit 9. After it was constructed, it was determined that a small triangular portion encroached on the Walmart property, which is one of the elements of this amendment, and it grants the DDA and its successors a permanent right to utilize this small triangle of the detention basin on their site, as well as the three or four minor physical encroachments that occurred when Walmart built over the lines, so to speak, in a couple of places, which is also mentioned in the document.

Lublin – Does Homedics have a line under Pontiac Trail?

Rauch – No. They had proposed they would expand their facility, and they didn't have detention on the south side of Pontiac Trail. That project never went forward.

Lublin – Could the detention pond have taken Homedics?

Rauch – At the time we were looking at that project, there was enough capacity, however, that was pre-Granger and pre-Aikens' development. I don't know the answer now, but I think it's a moot point.

Smith – As long as there is a reciprocal operating agreement for the maintenance of the detention pond, I have no objections and I still follow through with my motion to accept the agreement as presented.

MOTION CARRIED UNANIMOUSLY

Item 8: Engineer's Report

Matt Schwanitz, Giffels Webster, reported that they have been assisting with the Aikens acquisition and general information requests.

Item 9: Planning Director's Report

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

- We had Giffels Webster create a map of the Commerce Towne Place developments. We can distribute this via email to the Board members, and we will have a couple more printed on these dry erase boards. We'll keep one copy here in the DDA meeting room for reference.
- At the last Township Board meeting, the Board approved the Sidecar Slider Bar to move forward to the State of Michigan with their request for a redevelopment liquor license. They will be the first to obtain this type of license, and this is presumably the process and type of license(s) that Aikens will obtain for his establishments.
- Gilden Woods is tentatively scheduled to be before the Planning Commission on March 5th.
- A nearby project that will likely be at the April Planning Commission meeting is for the Michigan Schools & Government Credit Union, a drive through, on the vacant parcel at Walnut Lake and Pontiac Trail. The drive through component is a Special Land Use and requires a public hearing. This is in the heart of the traffic study that is currently taking place for the Aikens development. This is a key intersection.
- The M5 pedestrian bridge seems to be running smoothly. I go to a progress meeting every other week with the engineer who is overseeing the project on behalf of MDOT. The contractor did say they were running into more clay in the soil than they wanted, so they're having some trouble with getting it to drain properly, but I suppose those are the types of things that you run into with any major construction project like that. Overall, the project is coming along and they hope to be done by August.

Item 10: Committee Reports

- A. Finance Committee – Director Stacey – The only thing I wanted to bring the Board up-to-date on is the need for an advance from the Township, which we will request at their next Township Board meeting on March 13th. It looks as though we have enough money to get us through April.

Treasurer Phillips – We have enough money to get us through March 31st, but the April 1st payments ...

Director Stacey – Push us over the edge. We do have it budgeted for an advance from the Township Board, we just have not yet determined how much we will need to take of that budgeted amount. We are hoping to have that at the next Township Board meeting, and we will report back to you for your approval of the total amount to be drawn against the budgeted advances for the year.

David Smith – You budgeted how much?

Director Stacey - \$1 million. We need to have the property sales, which we have factored into this year. The timing of the Aikens agreement is at the end of the year.

Treasurer Phillips – We are also watching the interest rates. I received an email Friday from PNC, giving some rough numbers on fixing the rates for the big bond issue that's outstanding. We will be getting to the point where we're going to tip on that, and it takes time to pull the trigger. I talked to Tom Traciak two weeks ago on this matter. He's been busy. I also need to talk to Mike Gormley.

Director Stacey – I think everyone is aware, the interest rate environment is increasing. We have significant variable rate debt that goes up based on those factors, and we may look at locking in soon.

Dan Lublin – I see an available balance of \$4.482 million. Is that banked at the present time?

Treasurer Phillips – No, that's what's left in the budget to be spent.

Dan Lublin – That assumes that money is available?

Treasurer Phillips – No, we don't have that money yet. That's the balance of what we have to spend to get through the rest of the year.

- B. Public Relations Committee - Jose Mirkin – As I said at the last meeting, we met with the DIA and representatives from different communities to discuss the number of reproductions that each community would get, the dates, et cetera. I was supposed to have a meeting this morning at the library, but that was rescheduled for this Thursday. In that meeting, I will be told how many reproductions we will have. In discussions with Dave Scott, we already know the locations where the reproductions will be placed. Hopefully for our next meeting, I will be able to provide more details, but the idea is to have reproductions in the Richardson Community Center, here at the Township, and also at the Library. We also had a very productive meeting in January with the art teachers of the Walled Lake Schools to review the assignments and the dates for the

2018 Art Exhibition, which will be in the Library, from Saturday, May 19th, to the Saturday, May 26th. The Reception will be on May 23rd from 5pm to 7pm and everybody is invited. One of the art teachers who is coordinating the event, wrote a grant of \$1700 to cover expenses, frames, boards, refreshments, et cetera. So again, we will have a wonderful event with no cost to the DDA. Our next meeting with the teachers is scheduled for March 22nd, and Connie has scheduled the Library conference room. We are planning to further discuss the details of our roles. We will need use of the billboard.

Secretary Creech – The billboard is down.

Dave Campbell – It's down until the bridge is done.

Jose Mirkin – Okay, so that's August of 2018?

Dave Campbell – Yes.

- C. Marketing Committee – David Smith – Everything has been discussed and I have nothing to add.

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

MOTION by Lublin, seconded by Mirkin, to approve the Warrants, Carryovers, Add-ons and the Revenue & Expenditure Report. **MOTION CARRIED UNANIMOUSLY**

Item 12: Other Matters

Susan Averbuch – The RCOC just came out with a new brochure and our picture is in it. The first 2018 cleanup date is April 14th through the 22nd.

Director Stacey – Do we know when the old library is going to be torn down? I know they brought equipment onsite.

Secretary Creech – Last I heard, it will be sometime in March.

- **The next regularly scheduled DDA meeting is Tuesday, March 20, 2018 at 12:00pm.**

Item 13: Adjournment

MOTION by Mirkin, seconded by Hoy, to adjourn at 1:00pm.

MOTION CARRIED UNANIMOUSLY


Melissa Creech
DDA Secretary

User: JBUSHEY
DB: COMMERCE

EXP CHECK RUN DATES 02/20/2018 - 02/20/2018
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

BANK CODE: DDA

DDA WARRANT REPORT FOR BOARD APPROVAL

FEBRUARY 20, 2108

Vendor Code	Vendor Name	Inv. Date	Invoice	Description	Amount
ADKISON	ADKISON, NEED & ALLEN	01/31/2018	01312018 1M	DDA MATTERS	61.50
TOTAL FOR: ADKISON, NEED & ALLEN					61.50
COMM TOWNE	COMMERCE TOWNE PLACE ASSOCIATION	02/01/2018	2018 CTPA	2018 COMMERCE TOWNE PLACE DUES	36,687.20
TOTAL FOR: COMMERCE TOWNE PLACE ASSOCIATION					36,687.20
WATSON	DEBORAH WATSON	02/14/2018	2018 JAN/FEB	DDA ASSISTANT HOURS 1/16 - 2/14/18	1,018.75
TOTAL FOR: DEBORAH WATSON					1,018.75
GIFFELS	GIFFELS-WEBSTER ENGINEERS	01/12/2018	115565	PROJECT 1568572 MEETINGS AND DUE DILLIGENCE	1,260.00
		02/05/2018	115720	MEETING, DUE DILLIGENCE AND INFO REQUESTS PROJECT	2,240.00
TOTAL FOR: GIFFELS-WEBSTER ENGINEERS					3,500.00
KEMP	KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	02/12/2018	187184	PROFESSIONAL SERVICES RENDERED THROUGH JANUARY 31,	14,121.30
TOTAL FOR: KEMP, KLEIN, UMPHREY & ENDLEMAN, PC					14,121.30
STACEYMARK	MARK STACEY	02/14/2018	0116-0214-2018	DDA DIRECTORS HOURS 1/16 - 2/14/18	5,450.00
TOTAL FOR: MARK STACEY					5,450.00
WILLIAMSWI	WILLIAMS, WILLIAMS, RATTNER&PLUNKET	01/01/2018	90436	PROFESSIONAL SERVICES THROUGH 12/31/2017	132.00
TOTAL FOR: WILLIAMS, WILLIAMS, RATTNER&PLUNKET					132.00
TOTAL - ALL VENDORS					60,970.75
FUND TOTALS:					
Fund 499 - CAPITAL PROJECTS - DDA					60,970.75

02/20/2018 09:26 AM INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
 User: JBUSHEY
 DB: COMMERCE
 INVOICE ENTRY DATES 02/20/2018 - 02/20/2018
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: DDA
 DDA ADD-ON WARRANT REPORT FOR BOARD APPROVAL
 FEBRUARY 20, 2108

Vendor Code	Vendor Name	Inv. Date	Invoice	Description	Amount
DTE	DETROIT EDISON				
02/14/2018	910007710650	0214	2660	E. OAKLEY PARK	135.90
02/14/2018	910007710767	0308	3106	MARTIN PARKWAY	111.54
02/14/2018	910007710866	0308	2581	LIBRARY DR.	835.73
02/14/2018	910007711005	0308	2679	LIBRARY DR.	17.33
TOTAL FOR: DETROIT EDISON					1,100.50
TOTAL - ALL VENDORS					1,100.50
FUND TOTALS:					
Fund 499 - CAPITAL PROJECTS - DDA					1,100.50