

Final
CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, November 13, 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
David Smith, Member
Susan Averbuch, Member
Susan Spelker, Member
Brian Winkler, Member
Tim Hoy, Member
David Scott, Township Supervisor

Absent: Jose Mirkin, Member (excused)

Also Present: Melissa Creech, DDA Secretary
Debbie Watson, DDA Assistant
Thomas Rauch, DDA Attorney
Molly Phillips, DDA Treasurer
Matt Schwanitz, Giffels-Webster Engineer
Randy Thomas, Insite Commercial
Simon Rubin, Insite Commercial
Dave Campbell, Township Planning Director
Mike Gormely, Senior VP, Hutchinson, Shockey, Erley & Co.
Tom Traciak, Financial Advisor, Principal, Umbaugh
Courtney Mikola, Wyncliff HOA Representative

Item 1: Approval of Minutes

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

MOTION CARRIED UNANIMOUSLY

Item 2: Public Comments

None.

Item 3: Bond Presentation

Treasurer Phillips – We’ve mentioned in the last couple of meetings that with interest rates climbing, the variable rate for the DDA is getting to the point where we’re going to use up all of the benefit we had. We never know the perfect time to pull the trigger to fix the rates of the bonds, but we are thinking now would be better than waiting.

We’ve been talking to Mike and Tom about the possibilities and different scenarios on how we can fix the rates, and they’re here to go over the numbers.

Tom Traciak – We’ve also included Bowden Brown, Bond Counsel, on the discussions. Let me set the stage. When we originally did the variable rate bond issue, the idea was twofold. It kept

the interest rate low, because when you do variable, it's a 7-day reset and the rate stays fairly low, when compared to a fixed rate, 20/30-year bond issue. One of the more driving factors in why we did a variable rate was so that, at any time, if you received money coming in that you could apply it to pay it down, we weren't stuck with a 10-year call date. You could just simply take it off the variable rate bonds in whatever amount you desired.

It was a really good choice. In fact, if you look back at the history, if we would have done those bonds fixed rate, when we originally issued them, compared to what you paid in interest on a variable rate, you've probably saved between \$15 and \$20 million. It certainly has been beneficial to you to have the variable rate. But, as Molly said, the interest rate has been going up. To give you an idea, those bonds were trading at a 0.18% two years ago. Today, they're trading at a 2.25%. To put that in perspective, if you would have converted two years ago to the fixed rate, your fixed rate would be lower than your variable rate is today.

Here comes the challenge; I'm a financial advisor, not an economist. If you ask, where are interest rates going? Your guess is as good as mine. I can do all sorts of financial magic and convert these from variable to fixed, get the bonds sold with Mike and Bowden's help, but I can't guess where interest rates are going. That is a policy decision for you, and for the Township Board tonight.

The popular consensus is that interest rates are still moving upward. If you convert, fixed rates are higher than they were a year ago, but it's always moving. When you make the conversion from variable to fixed, your interest rate is going to be higher, but is it going to be higher than the variable a year or two from now? That's the idea behind this. It's entirely a policy decision if you want to pull the trigger to convert from variable to fixed.

Mike has run some numbers. I should probably explain who we are. I'm the Township and DDA Financial Advisor. I've worked with the Township for 30 years on all of the bond issuance. Mike is an underwriter; he is a Municipal Investment Banker. His firm actually buys the bonds and then remarkets them. The reason it is so key to have Mike's help on this is that, if you're going out in the marketplace to take variable rate bonds and turn them into fixed rate bonds, it's a little scary to find people to bid on them. The market feels that's a little complex for them to throw down a bid on. So, what we do is pick the underwriter up front, and he helps us market the bonds to the secondary market. They use their best efforts to get the best interest rate for you. The other party involved is Bowden Brown, Bond Attorney, who puts this all into bond resolutions and agreements. Those are our different roles.

Tom Traciak reviewed the Conversion Summary Bond Chart provided in the packet with the Board, including Scenarios 1-3.

Tom Traciak – Scenario #1 shows no conversion from variable to fixed. It shows staying with variable, and it assumes that the variable interest rate would remain the same through 2034.

David Smith – What's our variable rate now?

Tom Traciak – Right now, your variable rate is 2.25%, but you have to add on top of that a 0.7% for the letter of credit fee, and a 0.1% for remarketing. Municipal bonds have to have a bank letter of credit backing them.

Vice Chairperson Lublin – So it's over 3.0%?

Chairperson Gotts – It's at 3.05%.

Tom Traciak – Yes, the 3.05% is the effective rate. Now, Scenario #2 is if you converted to a fixed interest rate. Notice that the two columns of principal are exactly the same. In other words,

we don't change the structure of your bonds at all, the repayment of the principal; we just switch variable for fixed. You'll see the column under Scenario #2, fixed interest rate, and you can see that over the remaining 16 years, the total debt service, principal plus interest, if the variable rate stayed the same, is around \$45,700,000. Under the fixed rate scenario, it's about \$49,000,000. So, you're paying a little over \$3 million extra, over the next 16 years, in interest costs.

Vice Chairperson Lublin – The second scenario starts at 3%?

Tom Traciak – Yes.

Vice Chairperson Lublin – But you show in the second column, 2020, 3.25%?

Tom Traciak – Thank you for pointing that out. When we do municipal bonds, there's a different interest rate every year. We call it a maturity per year. So, on the fixed rate, there's a different maturity so that those bonds can be traded.

Vice Chairperson Lublin and Tom Traciak discussed variable versus fixed rates, the scenarios in the chart, and the maturity at length. There is a separate fixed interest rate for each maturity, and a fixed 3.0% is not available for 16 years with municipal bonds.

Director Stacey – Danny, your blended rate is 4.176% for the entire spectrum, through 2034.

Tom Traciak – Understand, these interest rates you see on the fixed scenario are estimates, because obviously we haven't sold these bonds yet.

Vice Chairperson Lublin – Can we still get a variable rate for 5 years?

Tom Traciak – No, it resets every 7 days. Now, in Scenario #3, we looked at the fact that you have a lot of this bond end-loaded. You'll see in either Scenario #1 or #2, the principal payments jump up to \$4 million in 2029. There were reasons why that was done originally, and the idea was there would potentially be more money coming in during later years.

In Scenario #3, we looked at restructuring to level that out more. The interest rate assumption is the same as Scenario #2, but notice that if we level that out, the debt service goes down to \$46,665,000. It's less than a million more than Scenario #1.

Scenario #3 shows consideration of restructuring the payback, while converting the rate, to avoid the balloon at the end. That does take your payments up on average from \$2.3 million to \$2.9 million per year. That's the idea behind it.

Vice Chairperson Lublin – The bond we're talking about, what is the amount owed?

Tom Traciak – What you owe on the principal is \$34,145,000. So, in Scenario #1, notice that the total cost of principal plus interest under the debt service column is \$45,729,000. If your variable rate goes up 0.5%, that number is going to go up \$2 million. If it goes up 1%, it's going to go up to \$49 million. It's going to be higher than Scenario #2 on fixed. Keep in mind, the rate has moved up over 2% in the last two years. If the rate moves up even 0.5%, or 1% more, you're going to look like heroes if you had converted to fixed now.

Again, we are not here to sell you on this idea at all. This is a tough decision, but we wanted to give you the facts as best we know them. This Board will need to make the call if you want to proceed.

Vice Chairperson Lublin – If we have fixed, is there a penalty if we decide to pay it off and go back to variable?

Tom Traciak – When you do a fixed rate bond, we need to put call protection on it. It's going to have an 8-year or a 10-year call, where you're not going to be able to pay those bonds off early. That's one of the things we discussed. Mark, Molly, Mike and I talked about this, and whether it would present issues. We determined that it probably would not. You're probably not going to take a chunk of change and pay the bonds off early in the next 8 years or so, but that is an aspect of fixed rate compared to variable; the bonds aren't going to be pre-payable during that time.

Vice Chairperson Lublin – Do they at least list a cost if you do pay it off before the 8 years?

Tom Traciak – You can't.

Director Stacey – So Danny, you would just reserve the money and set it aside in an escrow account, if we found ourselves in that position, and take the interest earned to offset part of the carrying costs during those years.

Chairperson Gotts – Do we have the fiscal capacity considered in Scenario #3?

Treasurer Phillips – Scenario #3 in my opinion is the best of them, even though it moves an extra million dollars into the first few years for the debt service. What scares me is having \$4.6 million payments in years to come, when there's no property left to sell, and we're basing our ability to pay totally on capture.

Susan Spelker – Our payment now would go from roughly \$2.2 to \$2.9. Can we do that?

Director Stacey – With the Township's help.

Treasurer Phillips – Yes, with the Township's help and the money they've been putting aside in the debt service.

Director Stacey – If you remember, the projections between now and 2034 when we pay this off, we are going to owe the Township about \$40 million. We owe about \$12 million now. We're already projecting that the Township is going to write checks between now and 2034, then we're going to pay them back. The question is, does the Township want to level out the payments, lock in the interest rate, and write the checks sooner rather than later? That's an answer for the Township Board. From an analysis standpoint, Scenario #3 is my choice.

Susan Spelker – That's the one I like.

Director Stacey – We have to have the Township Board's financial commitment to do that. We as the DDA don't have the ability to do that without the Township's help.

Tim Hoy – How much is the increase going to be for the Township if you use Scenario #3, which looks like the logical one to use?

Treasurer Phillips – The Township has been putting \$2 million aside, and until this year, we have not used the full \$2 million.

Director Stacey – They're still putting aside \$2 million, plus our million for the capture, less expenses, so we are close.

Treasurer Phillips – Yes.

Chairperson Gotts – Supervisor Scott, do you have an opinion?

Supervisor Scott – I agree that #3 obviously looks like the best scenario. The issue is what do we do now, what are our obligations, and where are we going to go?

Tim Hoy – It's pay me now, pay me later.

Treasurer Phillips – When I started in this position, we were paying \$3,800 a month for variable interest. We are paying \$66,000 a month now. From a budgeting standpoint, it gets kind of scary. Having something set and relatively even every year is way better than a balloon.

Director Stacey – The balloon was set up for a specific reason. Initially, the concept was that there would be so much money generated from land sales that you would pay it off early and be done with it. The reality is that the land sales numbers do not equal the total indebtedness. Mike, what is the federal funds rate right now?

Mike Gormely – I believe it's 3.0%.

Director Stacey – What's the average over the last 20 years, ballpark? We're still at the low-point of that cycle, correct?

Mike Gormely – It's got to be in the 5's.

Chairperson Gotts – I think the consensus is to proceed with Scenario #3.

Lengthy discussion continued, comparing and contrasting variable to fixed rates, reviewing the scenarios presented, maturity and fixed rates, principal repayments, leveling out the structure, refinancing after the call date, the timeline for conversion to fixed rate, the debt sinking fund, DDA advances, and accumulating interest and debt to the Township.

Susan Averbuch – What is our role? What does the DDA need to do today?

Director Stacey – While we may like this idea, it needs to go to the Township Board this evening to see if they like the idea. We are looking for authorization to move forward with the preparation of this, if the Township Board elects it as the correct answer. If the Township Board selects Scenario #3, the concept is to have all the documents prepared for the December Township Board meeting. We would move our DDA Meeting to December 11th, the same day as Township Board. We would approve it that day, and they would approve it in the evening. Then, it would go to market in January/February.

Tom Traciak – If the DDA Board would like to move forward, as long as the Township Board approves it, then authorization is needed for our consulting group to move forward. Mike, Bowden Brown, and I would need to do some work so that Bowden can get resolutions in front of both this Board and the Township Board in December.

Susan Spelker – Tom, are you going to be at the Township Board meeting tonight?

Tom Traciak – Yes.

MOTION by Spelker, supported by Lublin, to recommend that the Township Board approve moving forward with Scenario #3, as presented on the Summary for Conversion of 2008 Taxable DDA Refunding Bonds. **MOTION CARRIED UNANIMOUSLY**

Item 4: 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; Their sewer realignment is almost complete. They're into the site work. That will set up for construction on the clubhouse probably in the spring, and some of the roads to go in.
- Parcel B1 – Aikens, Five & Main; Mark and Tom will review this at the end of the report.
- Parcel B2 - Granger, First & Main; Nothing new to report
- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; We do get fair amount of inquiries. The vast majority are gas stations. I have had discussions with two developers in particular. One with potential for a restaurant. Nothing has gotten any traction.
- Parcels D&E - Pulte, Merrill Park; I think they have 6 lots or less remaining. They should be out of the project and turning it over to the HOA in summer or fall of 2019. Dave, do you have anything new with Merrill Park?

Dave Campbell – I was copied on an email that said they are trying to get their sidewalks finished up. That includes connection of the internal sidewalks to the south pathway in the DDA's conservation area.

- Parcel F – The acreage in front of the Township Hall; Nothing new to report.
- Parcel G – Wyncliff; Nothing to report.
- Parcel I – BBI Holdings, Gilden Woods; North of the Township Hall, They're going to be opening on December 15th. They moved fairly quickly from closing to where they are now, despite a delay.
- Parcel J1 – 2.38 acres on the hard corner of Oakley and Haggerty; No inquiries this past month to speak of.
- Parcel J2 - NorthPoint, Beyond Self Storage; It looks like they are closing in on it. I would expect that they will open that project up within the next 90 days.
- Parcel K - The orphan piece across the street; The adjacent owner was interested. I believe he was going to meet with you, Dave?

Dave Campbell – He did come in with potential partners to discuss a possible farmer's market. They said they would sketch something up. They were thinking it would be more of a temporary use until they have a better idea of what's going to happen with Aikens project.

- Parcel L - 1.8 acres on Haggerty Road; We have had some inquiries as of late, but nothing new.
- Parcel M&N - These are the two out-lots that are being retained by the DDA. The parcel that is in Phase 1 of Aikens project, by Walmart; we are now locking down on the configuration. I think we could do a 6,500 sq. ft. building, so it's a good pad to have.

Director Stacey – We had a meeting with Bruce here this morning at 9:30 to finish hammering out some issues on the Eighth Amendment. I know it is on the agenda for Item 7. Tom, do you want to address that now, and then Randy can leave once we're through?

>>Item 7, Aikens' Amendment to Purchase Agreement, was moved up on the agenda. There were no objections from the Board members.

Item 7: Aikens' Amendment to Purchase Agreement

Director Stacey – We have negotiated an amendment to the purchase agreement that works for both sides. I apologize that we did not get this to you in our typical course of action. Thursday at 5:45pm I found out we had an issue. We worked on it all day Friday. We had multiple calls on Monday. In addition, we had the meeting this morning at 9:30am to finish ironing it out. Tom, with that said, I'll let you discuss the points of the Eighth Amendment and the issues.

Attorney Rauch – As I mentioned in my email last week, the key issues in the Eighth Amendment which were being negotiated pertain to sanitary sewer and abandonment of the Township's lift station, which is on Parcel C, which is Unit 3 of the condominium. The balance of the Eighth Amendment is very similar to the previous draft that has been discussed in the past. You may remember that the developer was here to present his concerns and explain why he needed additional time to close. The Amendment in front of you today is not materially different than it was before. The developer gets another six months of time to withdraw if he chooses, and forfeit his deposit, or close. But, the due diligence time period will end. It was going to end December 2nd but that has changed due to Township agenda publication dates.

Dave, is there a Planning Commission hearing to be published for also?

Dave Campbell – We are planning to publish for it this week, for the December 3rd meeting.

Attorney Rauch – And because that timing did not coordinate with the December 2nd date, which is in the existing 7th Amendment, we put it off to the January meeting of the Township Board, which will be on January 8th. Is that correct?

Director Stacey – I think so, yes.

Attorney Rauch – So, using a couple of days to get documents finalized, the DDA is extending the due diligence to January 10th. Then, Bruce gets six months to close. Those are all items we have talked about over the last couple of months.

Director Stacey – And for those six months, Bruce is paying an additional amount.

Attorney Rauch – He's paying a \$100,000 additional deposit, and those funds are non-refundable and not creditable toward the purchase price.

Please open the document in front of you and go to the last page, Exhibit F, the color version. You'll see blue, red and green lines. That is the projected location for the sanitary sewer that will replace the Haggerty pump station, which is on the right hand side of the document. That's what we call Section C of this diagram. Section A is the blue line, in Bruce's Phase 1, which is adjacent to Phase 2. The blue line continues easterly to the property line over by Walmart. Section B is the red line. These are all sanitary sewer lines.

This had been the subject of the recent discussions and negotiations. Bruce had offered to pay \$250,000 as he had budgeted for his sewer, and in today's meeting, the parties came up with a solution as to how the sewer will be built, and by whom.

There are five items that are going to be implemented into a new draft of the Eighth Amendment. Most of these changes are on Page 4 of the existing draft, which are almost all improvements related to the sewer and the Pontiac Trail roundabout. The proposed deal is that Bruce will build all of Section A, the blue line on Exhibit F. He will increase the size of the sewer to 15", which is larger than he would need for his project, because that line is going to be handling the discharge

when the pump station is abandoned in the future. Bruce will build this portion of the sewer, contemporaneous with his Phase 1 construction, which should commence in 2019 or early 2020. The second item, is that the green sewer line which is a Township sewer, is no longer a buyer/seller discussion. It always was, and remains, a Township obligation to eliminate the existing lift station. The developer is installing a pipe large enough to handle the discharge, but it will be the Township's obligation, as it always was, to terminate the lift station and discharge into the new line that goes across the lines indicated as blue and red on the drawing.

The third item from this morning, that is different from the way the original amendment was drafted, the red section, Section B, will be built by the developer and, although it would normally be required by the Township that he build it now, he will now be able to defer that and build the red section of the sewer when he builds Phase 2 of his Project.

In consideration, the fourth item is that the DDA would agree to reduce the developer's purchase price of Phase 2, for which the developer has to pay a premium excess purchase price if he delays the acquisition of Phase 2 under the original agreement. If he doesn't buy it within the first time period specified, it's a \$100,000 excess premium payment to us. If he doesn't buy it within the second time period specified, it's another \$100,000. The DDA is agreeing, as discussed this morning, that the DDA would give him a \$25,000 credit on his excess payment, whenever he chooses to buy Phase 2. If he doesn't buy it, he doesn't get the credit.

Susan Spelker – Is that a one-time credit, or for each extension?

Attorney Rauch – One-time, one \$25,000 credit on the purchase price when he buys Phase 2. Lastly, the fifth item is, because the developer will own all of Phase 1 when he closes in the middle of 2019, it will be necessary that the developer give the Township, or the DDA would give the Township, a proper easement for the new sewer to be built over Section B (the red line) portion of Phase I when he closes. It's not going to be built right away, but the Township will get an appropriate easement.

Those were the five items discussed at the meeting, but did I summarize them correctly, Mark?

Director Stacey – Yes, that's correct. We felt it made complete sense from the standpoint that we want to get through this development, and not only Phase 1, but we want Phase 2 done. It assists him in putting the costs of Section B, the red line, in his Phase 2 proforma. The \$25,000 compensated him for the upside costs.

Chairperson Gotts – Counselor, are you looking for a motion?

Attorney Rauch – I would suggest you entertain a resolution to approve the DDA entering into an Eighth Amendment to the Purchase Agreement, consistent with the document that you have before you, which is basically what we have talked about over the past few months, with the exception of the five items that I just mentioned, which would be reflected in a revised document. As we have done a number of times in past, you could confirm that the final form of the document would be acceptable to the DDA Director as to its substance, and acceptable to the DDA Attorney as to form. That would allow us to execute the document, hopefully within a few days when drafted and revised, but certainly before the December 2nd date, which is a crucial legal date from the developer's perspective.

MOTION by Lublin, seconded by Spelker, to approve a resolution authorizing execution of the revised Eighth Amendment to the Aikens' Purchase Agreement, with the exceptions elaborated and outlined by counsel herein. The final document will be acceptable to the DDA Director as to substance, and to the DDA Attorney as to form, and can be executed by any one or more of the

following; the Chairperson, the Vice Chairperson, the Secretary, the Treasurer, and/or the DDA Director.
MOTION CARRIED UNANIMOUSLY

David Smith – Are we site planning this 15” sewer, or is he? Who is applying for the permits, Matt?

Matt Schwanitz – The way the deal was negotiated this morning, he’s going to design and build the entire segment on his property. So he will handle the permits, design docs, site plan review, everything.

It will be the Township’s responsibility when they undertake it, from this eastern property line over to the lift station. We are not obligating ourselves or the Township on the timing of that.

David Smith – We need this because ... ?

Matt Schwanitz – To decommission that Haggerty Road lift station, which is an operations and maintenance issue because of the expenses. The Township needs that and that’s why we oversized the brand new lift station in the center of the project. We’ve already decommissioned one at Pontiac Trail and M-5, and another at Welch is being decommissioned.

Item 5: 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 –** Same as the 2018 budget. We sent out a consent action for approval to the other directors of the HOA. Tom, have you seen any responses back yet?

Attorney Rauch – No.

Director Stacey – Not yet. Okay, we’ll chase those down.

- **Dues –** All dues are paid.
- **Lighting - CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene**
 - Light pole #64 was reinstalled. That is the one that was hit by the OWI driver. We are securing a claim for restitution; however, recovery is unlikely as he had no auto insurance, and the car was not registered.
 - We are still reviewing options for bridge lighting.
- **Landscaping - United Lawnscape, Brian Sparks**
 - Done cutting for the season.
 - We did sign a 2-year extension for the same pricing. I’ve been happy with their service, and when we’ve had issues, they’ve stepped right up and addressed them.
 - We have requested quotes for tree replacement. I met onsite with an arborist who showed us why we could not reuse certain trees from the old library site, due to size, placement, asphalt, lines, et cetera. They are putting together a full quote to replace trees located north of the bridge. We did receive a quote for cutting down the dead trees. It was 10-11 trees and about \$3500.

David Smith discussed tree replacements with Director Stacey.

- **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
 - The irrigation system is shutoff.
- **Other**
 - **RCOC –**
 - You may have noticed the new fencing installed at the main roundabout. Mr. Campbell got that taken care of for us. It's a temporary solution for the next couple of years. I think it looks significantly nicer. The Township did come up with additional funds.

Dave Campbell – Yes, I think it was \$500 to put the green on both sides of the fence, instead of just on one side.

Discussion continued regarding the temporary fencing and speed reduction at the roundabout.

- **Outrun Hunger –**
 - We had the Outrun Hunger 5K event this past weekend at the Township Hall.
 - Everyone received the stats in their handouts; participants 254, and \$16,000 raised for feeding the hungry this holiday season.
 - It was a very successful event, although they did not have a snowshoe competition, which I've suggested for next year if we're going to be getting into that type of weather.
 - The Township will be deciding how they want to proceed forward for next year on that, and we'll let you know what the outcome is.
 - There were no problems with the event, correct?

Supervisor Scott – No, nothing significant.

Item 6: Attorney's Report

DDA Attorney Rauch – I have nothing additional, except that we are heavily engaged with the Aikens Amendment, and with the amendment to the Master Deed. Mark, you and I had talked about the Fourth Amendment to the Master Deed. I believe it would be appropriate for the DDA Board to acknowledge and approve the form of the Master Deed Amendment, a draft of which I provided to the members of the Board. The Master Deed Amendment won't actually be recorded until the closing of Bruce's acquisition. Remember that it creates two new units #13 and #14, to reflect Phase 1 and Phase 2, and to allow the developer to include the old library site in Phase 1. I would recommend that you entertain a motion to approve the current draft of the Fourth Amendment to the Master Deed, although it could come before you again in mid-2019, before we close, in its final form if it has any changes.

MOTION by Spelker, supported by Hoy, resolution to approve the Fourth Amendment to the Master Deed.

Discussion –

David Smith inquired about the number of amendments. Director Stacey explained that this is for the Master Deed. There will also be a sub-PUD amendment which is going before the Planning Commission and Township Board.

David Smith asked if exhibits are included. Matt Schwanitz replied yes, the B-docs. Attorney Rauch confirmed, elaborated, and added that Bruce may have one or more new sub-condominiums within Units #13 and #14 as well. For consistency, Bruce is retaining Kim Shierk,

the same attorney used by the DDA and the CTPA, to prepare his sub-condominium docs.

MOTION CARRIED UNANIMOUSLY

>>Item 7: Aikens' Amendment to Purchase Agreement

This item was moved up on the agenda, and heard prior to Item 5.

Item 8: Engineer's Report

Matt Schwantz, Giffels Webster – We have been assisting on the Aikens transactions with the B-docs. That is the exhibit that looks like a plat, and it shows how the land is being combined and re-divided for Bruce. The library is being merged into the land that Bruce is going to buy, and his two phases are being separated. We've also been assisting on all the housekeeping related to Bruce's transaction.

Item 9: Planning Director's Report

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

- The Five & Main sub-PUD, that's now being amended to most notably bring in a hotel, has to go to the Planning Commission at their December 3rd meeting for their formal recommendation. Along with that, the Planning Commission will also be seeing the Amendment to the Master Deed to create Units #13 and #14. They'll make a recommendation on that. Both of those recommendations will go the Township Board for their meeting on January 8th, for what Mr. Aikens hopes is approval. Keep in mind that the Planning Commission on December 3rd has to be a public hearing, because we're amending a PUD.
- There is a new building that was proposed along Boulder Court, within the DDA.
- There is an existing building on Oakley Park, which if goes as planned by the applicant, would be converted into the Lakes Community Church. They have offices in this building, and now they want to take over the entire building and start holding services there. Their services are currently held at Walled Lake Central High School on Sundays.
- Sidecar Slider Bar has opened, and so far reviews have been good.

Susan Averbuch discussed the DDA liquor license process with Dave Campbell. Dave explained that there were a lot of hoops to jump through to get this type of license, and the Township Ordinance may need review in this regard.

David Smith inquired about the lights on the pedestrian bridge. Dave Campbell explained that the lights do work. Last he heard, they were being adjusted. An electrician has to program it, and once he gets to the site, he will also teach Township staff on how to work the control panel. Chairperson Gotts asked about the installation of signage on the bridge. Dave stated that it is scheduled to be installed in February due to delays.

Item 10: Committee Reports

A. Finance Committee – Year-End Advance

Director Stacey – At last month's meeting, you authorized us to request an advance from the Township Board in an amount not to exceed \$750,000. We put together projections and they're in your packet. Tonight we will request an advance in the amount of \$500,000 to close out the year.

MOTION by Spelker, supported by Lublin, to authorize the request for advance from the Township Board in the amount of \$500,000. **MOTION CARRIED UNANIMOUSLY**

Director Stacey noted that the Finance Committee has also been working on the bond issue and that will be taken to the Township Board tonight.

- B. Public Relations Committee - Jose Mirkin submitted the following report for review in his absence, which was included in the packet:
- The PRC, in partnership with the DIA and the Commerce Library, organized an art event at the library on November 1st at 7:00pm. At this event a representative of the DIA reviewed the DIA Inside/Out program, analyzed 7 paintings and talked about the artists, their biographies and their lives. The reproductions of those 7 masterpieces from the DIA collection were displayed in different locations in Commerce during the summer. It was a successful, educational art event and the audience was very engaged in the presentation. The library provided refreshments.
 - The other activity where the PRC is involved will be the participation in the next meeting with the art teachers of Walled Lake Schools to start coordinating the next K-12 Art Exhibition scheduled for May of 2019 in our Community Library.
- C. Marketing Committee – David Smith stated that he had nothing further to add as Randy Thomas had covered everything.

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

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

Item 12: Other Matters

2019 DDA Meeting Schedule

Susan Averbuch and Director Stacey discussed the potential for a night meeting in 2019.

Director Stacey stated that it certainly might be appropriate to have a night meeting once Bruce closes.

Director Stacey asked if the calendar complied with all holidays. Susan Averbuch confirmed that she had checked it over.

MOTION by Spelker, supported by Lublin, to recommend approval, to the Commerce Township Board of Trustees, of the 2019 DDA Meeting Schedule as presented.

MOTION CARRIED UNANIMOUSLY

The next DDA meeting is Tues., Dec. 11TH OR Tues., Dec. 18TH, 2018 at 12:00pm.

Director Stacey stated that he would inform the DDA Board members of the December meeting date tomorrow, after the decision of the Township Board tonight on the bond matters.

Item 13: Adjournment

MOTION by Lublin, seconded by Spelker, to adjourn at 1:19pm.

MOTION CARRIED UNANIMOUSLY



Melissa Creech
DDA Secretary

11/07/2018 08:37 AM
User: JRUSSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 11/13/2018 11/13/2018
~~BOTH JOURNALIZED AND UNJOURNALIZED OPEN~~
BANK CODE: DDA
DDA WARRANT REPORT - ADD ON
NOVEMBER 13, 2018

Vendor Name	Invoice Date	Description	Amount	Check #
1. ADKISON, NEED & ALLEN	10/31/2018	DDA MATTERS	402.50	
2. DEBORAH WATSON	11/07/2018	DDA ASSISTANT HOURS 10/11 - 11/7/18	1,068.75	
3. GIFFELS-WEBSTER ENGINEERS	10/17/2018	PROFESSIONAL SERVICE THROUGH 10/6/18	273.50	
4. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	11/06/2018	PROFESSIONAL SERVICES THROUGH 10/31/2018	8,805.60	
5. MARK STACEY	11/07/2018	DDA DIRECTORS HOURS 10/11 - 11/7/18	5,000.00	
TOTAL - ALL VENDORS			15,550.35	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			15,550.35	