

**CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, September 22, 2015
Commerce Township Hall
2009 Township Drive
Commerce Township, MI 48390
12:00 p.m.**

CALL TO ORDER:

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

Downtown Development Authority:

Present: Mark Stacey, Director
Dan Lublin, Vice Chairperson
Tim Hoy, Member
Brian Winkler, Member
David Smith, Member
Tom Zoner, Township Supervisor

Absent: James Gotts, Chairperson
Jose Mirkin, Member
Susan Spelker, Member

Also Present: Thomas Rauch, DDA Attorney
Vanessa Magner, DDA Secretary
Matt Schwanitz, Giffels-Webster Engineer
Randy Thomas, Insite Commercial
Amy Neary, Planner, McKenna Associates
Joe Heffernan, Plante Moran

Item 1: Approval of Minutes

MOTION by Averbuch, seconded by Hoy, to approve the Regular Meeting Minutes of August 18, 2015 as presented. **MOTION CARRIED UNANIMOUSLY**

Item 2: Public Comments

Susan Averbuch, 9005 Campbell Creek Dr, Commerce Township, expressed her displeasure at the Township Board meeting scheduling. She explained that Yom Kippur begins at sundown and this is one of the holiest days in the Jewish Community. She is unable to attend the Township Board meeting this evening. She hopes that the Township will be more accommodating in the future when scheduling meetings and she will present a calendar of the holiest days in the Jewish Community for reference.

Tim Hoy gave an update on Jim Gotts' status. He has a long road to recovery, but he is a strong guy and he's moving along well. Dan Lublin wished Jim a speedy recovery.

Item 3: Director's Report

Director Stacey discussed the following with the Board:

- Update on Developments:
 - Wyncliff continues to move forward. They have closed on their first property and their first resident has moved in.
 - The Planning Commission approved the Barrington site plan for M. Shapiro, thanks to Jim Galbraith offering the additional elevations. The DDA will be working toward closing with Shapiro on the sale of that property.
 - HP11, which is Hunter Pasteur's 2nd development, now named Merrill Park, has provided their initial site plan to the Planning Department.
- No MTT Judgments for the previous month.

- On the Township Board agenda, we had an item for an advance to the DDA; however upon further review of the tax capture, it was decided that we do not need the advance at this time.
- A cell tower is being considered on DDA property along Haggerty Road. There is the potential of doing a lease agreement.
- The DDA needs a temporary Chairperson for the Board. It is uncertain as to when Jim Gotts will be returning. The recommendation is that Tim Hoy be appointed as temporary chair. Jim is not being replaced, but this will allow documentation to be executed for the sale of property to M. Shapiro. Tom Rauch will address this further in the Attorney's report.

Susan Averbuch inquired about Tim's responsibility to the Finance Committee. Mark Stacey replied that he and Tim would continue overseeing finance matters.

- HOA Items:
 - Irrigation, Michigan Automatic Sprinkler, Mike Rennie - There is a bill in the packet and it is requested that the Board authorize the repairs to the sprinkler system that were noted in the last inspection, less the items that involve the Wyncliff development as those will be billed directly to HP. There is also a potential issue with the pump which has been reading overvoltage. This will be monitored and investigated further and the Board will be kept informed on the status as we learn more.
 - Lighting - CJ's Lighting, Chris Niestroy - CJ's is making good progress. There is a bill enclosed in the packet for the initial assessment, along with a breakdown of the components to be repaired/replaced and the related costs. Every effort is being made to get the system functional at the lowest cost impact. More information will be provided next month regarding the overall system.

Susan Averbuch noted that the Township lighting timers needed to be adjusted as the parking lot was dark recently during an evening meeting.

- Insurance Matters:
 - A check was received for \$8150 which was the restitution from insurance to replace the light pole at the Pontiac Trail roundabout that was damaged by a driver earlier this year. CJ's will install that new light pole while performing the other repairs and replacements.
 - Other pole replacements seem to be unlikely to be covered because of stipulations in our policy and the fact that we are unable to determine who is responsible for the damages caused. Going forward, this will be diligently pursued through police reports and insurance claims.
- Bridge Damage: Heading north on Martin Parkway, we are missing a pillar and 3 sections of fence at the bridge. This was caused by a car accident. We have already received the police report and notified the insurance carrier. The adjustor has been out and we are obtaining quotes from the contractors for the repairs.
- Haggerty Road Sign - We are still awaiting a response from the insurance carrier, but we have submitted the information.

David Smith discussed responsibility for bridge repairs with Mark Stacey. Mark explained that the DDA is not responsible for the bridge itself, but they are for everything else including the pillars, fencing and facing.

Dan Lublin initiated discussions regarding the potential cell tower. Items addressed were possible locations and the Township requirements which prohibit guide wires.

Item 4: Attorney's Report

DDA Attorney, Thomas Rauch, stated that the past month's activities revolved primarily around the sale of property to M. Shapiro and working with Giffels Webster regarding groundwater matters.

Attorney Rauch reviewed designating an Acting Chairperson. He had reviewed the statute and by-laws in preparing the information provided in the packet.

MOTION by Averbuch, supported by Lublin, to approve the Resolution, as presented by counsel, to temporarily appoint Tim Hoy as Acting Chairperson of the DDA, effective immediately.

MOTION CARRIED UNANIMOUSLY

Item 5: Master Deed

Attorney Rauch presented the Resolution for the Master Deed Amendment. He reviewed the changes which would facilitate the closing with M. Shapiro for the Barrington development, along with the attached drawings and updated B-docs. He addressed changes to the PUD and Master Deed over the past couple of years to accommodate various sales. The current amendment now addresses numerous items which were the result of significant discussions regarding the requirements of the PUD agreement pertaining to private roads.

Discussion ensued regarding the private road agreements that each developer would enter into, compliance with RCOC standards related to structure of the roads, but not the widths, and the efforts that continue in developing and finalizing these agreements. Attorney Rauch explained that, as in the past, the Board can approve the draft and allow the DDA Director to later approve the substance of the final documents.

Discussions continued regarding Unit 5, which will become Units 10 and 11 after they have been split, adjacent developments, road connections, required maintenance of private roads, enforcement and authority of the requirements, preventing cut-thru traffic, the units at Barrington which will be luxury rentals, owned and operated as an apartment community, storm and sewer for the project, pathways within the development, and details of the amendment language provided in the resolution which Jim Galbraith felt was well thought out to address the concerns that had been presented.

MOTION by Lublin, supported by Smith, that the DDA Board approves the Resolution, as presented by counsel, for the Master Deed Amendment.

MOTION CARRIED UNANIMOUSLY

Item 6: Engineer's Report

Matt Schwanitz, Giffels Webster, reported that they have been modifying the B-docs which were distributed to the Board. They have also been answering some questions related to transactions.

Item 7: Planner's Report

Amy Neary provided updates, in addition the Planner's Report which was provided in the Board's packet. Merrill Park, aka HP11, has submitted plans which are currently under review by the engineers and applicable departments. A public hearing is scheduled in October for their proposal. Secretary Magner inquired as to why a public hearing would be necessary for Merrill Park. Amy replied that single-family is a Special Land Use in the Town Center Overlay. Amy also discussed a preliminary review at last week's Planning Commission meeting for Aldi which is proposed at the corner of Walnut and Haggerty Roads. Feedback was provided regarding screening and parking.

Discussion took place regarding Aldi's proposed outside cart corral and Susan Averbuch felt that they should be required to keep carts out of sight, as Kroger has been required to in the past.

Amy Neary also discussed another project at 1947 Haggerty which will be before the Planning Commission in October.

Dan Lublin discussed the Beaumont Hospital property with Randy Thomas.

Item 8: Committee Reports

- A. Finance Committee – Mark Stacey requested that finance items be reviewed under agenda items 10 and 11.
- B. Public Relations Committee – No report in Mirkin's absence.
- C. Marketing Committee – David Smith deferred to Randy Thomas.

Item 9: Insite Commercial Report

Randy Thomas provided an updated overview of the DDA properties to the Board as included in the packet.

Item 10: Plante Moran Presentation

Joe Heffernan of Plante Moran was present to deliver a presentation to the Board. He provided an overview of the revenue, including the two unknowns which are sales of property and tax captures. These are key to understanding the budget as each parcel gets developed and the taxable values are determined.

As for expenditures, most are known. Much of these are lower than they were 5 years ago. He addressed the interest rates on the variable bonds which have been low but are expected to increase.

Discussion ensued and David Smith inquired about the variable bond rates. Joe Heffernan explained the risks associated and the conservative figures in the report. Dan Lublin discussed the potential of increasing property values in relation to a higher tax base. Joe offered conservative projections and further discussed expenditures, which are higher than the revenues. The difference shown in the 4th line is the advance from the Township. He reviewed the detailed timeline which estimates a small advance in 2017, then the potential for additional advances in 2019 or 2020. Joe discussed the economic model for the DDA, millage rates, the debt sinking fund, tax captures and paying off bonds.

Discussions continued regarding the total indebtedness, bond schedules, cash flow, the timeline as presented, refinancing, renegotiation, length of the debt and payments to the Township and tax capture versus annual expenditures.

Item 11: Proposed 2016 DDA Budget

Director Stacey reviewed the 2016 DDA Budget, addressing the tax capture, proceeds from property sales, projected revenues, expenditures in 2016 which are anticipated to be similar to 2015, increases in the hours worked by the Director to 20 hours per week, HOA fees and related expenses, debt service, and the surplus/shortfall.

Discussion took place between David Smith and Director Stacey regarding HP11 or Merrill Park, sale of the property, the 71 homes proposed, storm water and fill to be provided, et cetera.

Susan Averbuch presented her objections. She feels that the Director should be required to state goals and objectives, and then be evaluated. Although she feels that Director Stacey is doing an excellent job, she expressed her concerns with monitoring progress. Tim Hoy felt that an annual review and assessment might be in order, however, this would be premature at this point. Dan Lublin stated that this would be taken under advisement.

MOTION by Zoner, seconded by Winkler, to approve the budget as presented.

Roll Call:

Ayes: Zoner, Winkler, Lublin, Hoy, Smith

Nays: Averbuch

Absent: Gotts, Mirkin, Spelker

MOTION CARRIED

Item 12: Approval of Warrants, Add-ons and Finance Report

MOTION by Averbuch, seconded by Zoner, to approve the Warrants, Add-ons and Finance Report.

Discussion -

An exception is made to the approvals to reduce the invoice presented for Michigan Automatic Sprinkler to exclude the charges for Wyncliff repairs as these will be billed directly to Hunter Pasteur.

MOTION CARRIED UNANIMOUSLY

Item 13: Other Matters

- Director Stacey discussed a 5K Run for Matthew's Mad Dash, an effort to raise \$5,000 for charity, to take place on November 29th. Discussions ensued regarding appropriate insurance, use of the trailways and Township facilities, liabilities and other requirements that may be necessary. It is a public trail, however proper insurance is required. It was the Board's pleasure to have Director Stacey continue working on these details with the residents for the proposed charity event.

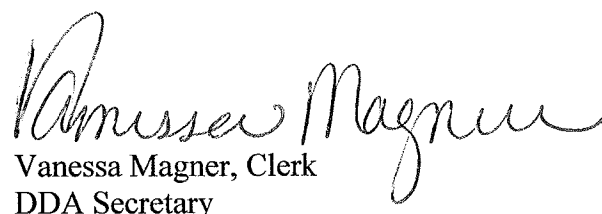
MOTION by Zoner, supported by Smith, to approve the 5K Run as proposed, scheduled for November 29, 2015, with the appropriate insurance requirements being met.

MOTION CARRIED UNANIMOUSLY

- Discussion took place between David Smith and Director Stacey regarding painting of the light poles. These were initially custom painted and efforts will be made to coordinate these in each area for consistency. Power surges were also further addressed with regard to the lighting and irrigation system.
- Susan Averbuch discussed the Adopt-A-Road program which would be relinquished into her name soon. She addressed the upcoming road cleanup on Martin Parkway scheduled for Saturday.
- Winterizing of the irrigation system was discussed.
- Susan Averbuch discussed the traffic study that had been handed out.
- Tim Hoy shared that Ramsey Lewis would be performing in his store on Thursday, September 24th at 7pm.
- The next regularly scheduled meeting the DDA is October 20, 2015

MOTION by Averbuch, seconded by Hoy, to adjourn at 1:36p.m.

MOTION CARRIED UNANIMOUSLY



Vanessa Magner, Clerk
DDA Secretary