

**CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY**

Tuesday, November 18, 2014

Commerce Township Hall

2869 Pontiac Trail

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: Kathleen Jackson, Director
James Gotts, Chairperson
Dan Lublin, Vice Chairperson
Jose Mirkin, Member
Susan Spelker, Member
Brian Winkler, Member
Mark Stacey, Member
David Smith, Member
Tim Hoy, Member (arrived 12:05)
Tom Zoner, Township Supervisor

Also Present: Thomas Rauch, DDA Attorney
Vanessa Magner, DDA Secretary
Susan Gross, DDA Treasurer
Matt Schwanitz, Giffels-Webster Engineer
Terry Carroll, Community Development Director
Randy Thomas, Insite Commercial

Item 1: Approval of Minutes

Chairperson Gotts stated that clarification was necessary to the minutes. Tom Rauch explained that last month, the DDA had approved the agreement to sell the shopping center parcel to the Aikens Group. Approval was for the agreement that had been drafted and presented; however, the Planning Commission approved the Granger site plan with certain changes related to access and the private road between Units 8 and 9. The DDA approved the sales agreement with Aikens subject to the agreement being reworked where necessary to reflect the private road changes. The minutes correctly reflect that the final form of the agreement would be brought back before the DDA, but the way the minutes are drafted, it almost implies that it would be brought back for approval. The intention was that it will be brought back before the DDA for informational purposes only and not for approval. A minor clarification should be made to this effect in the minutes that should state, *...brought back in its final form to the DDA for informational purposes*. This will make it clear that it is not coming back for another approval.

MOTION by Stacey, seconded by Lublin, to approve the Regular Meeting Minutes of October 21, 2014 as corrected with the suggestion by counsel as stated herein.

MOTION CARRIED UNANIMOUSLY

Item 2: Public Comments

Susan Averbuch, 9005 Campbell Creek Drive, Commerce Township inquired about continuing discussions regarding signage in Commerce Towne Place and promoting continuity throughout the development. Secondly, she addressed the noise issues with construction and the new developments around her neighborhood. She would like to have discussion regarding sound reduction methods for the benefit of the existing residents that are adjacent to Martin Parkway

and the upcoming Galbraith project. She hoped that landscaping would be carefully considered in this regard.

Item 3: Director's Report

Director Jackson gave an update. There was an accident at Oakley Park and Martin Roads. The insurance claim has been filed and does include replacement of the trees which will be as close as possible to what was existing; however they were somewhat mature trees. This will be looking good by next spring.

Over the past month, a lot of time has been spent working with Hunter Pasteur on Parcels D & E. There is a follow-up meeting tomorrow regarding that and it is moving along. Granger is still set for their closing date of 12/1/14 and this has also involved a lot of effort.

Smith asked Director Jackson why the DDA is paying for re-platting for the developers. Tom Rauch explained that the parcel has to be created in order to be sold, and the offer received by Randy Thomas was only for part of a unit.

Item 4: Attorney's Report

DDA Attorney, Thomas Rauch, stated that he and his staff have been getting ready for the Granger closing.

Dan Lublin initiated discussion with Tom Rauch regarding ownership of the private road and responsibilities for maintenance. This would be addressed in the easement agreement and the condo association and the Township would retain the authority to enforce measures to ensure that the road gets maintained.

MOTION by Stacey, supported by Lublin, to approve the resolution as submitted, including the side letter agreement.

Discussion -

Smith - Do we have to fund half of the road?

Tom Rauch - In the unlikely event that the Township and the Planning Commission change their minds and require that the road be built at the time the duplexes are constructed. At that point, if the shopping center has not advanced, they can build the road and the DDA will advance the funds for half of the road. The DDA will be reimbursed through the credit from the shopping center.

MOTION CARRIED UNANIMOUSLY

MOTION by Stacey, supported by Lublin, to approve the second resolution, to support the 2nd Amendment to the Master Deed of Commerce Towne Place as submitted.

MOTION CARRIED UNANIMOUSLY

Item 5: Engineer's Report

Matt Schwanitz, Giffels Webster, reported that they have been involved in discussions on several ongoing projects and providing support on all the transactions that are underway. There's a lot of due diligence coming in and a lot of evaluation reports.

Item 6: Committee Reports

- A. Finance Committee – Mark Stacey stated that the Committee is getting ready for year-end. The 2014 budget was exceeded in a number of areas and next month the final numbers will be brought before the DDA to make adjustments. This was anticipated with activity and the disposal of property will offset the variances.

Vanessa Magner discussed the 2015 approved budget with Mark Stacey and how this would impact it. Mark Stacey explained that the starting balances would change, but this would balance out when the property was sold. She asked if the attorney fees may be higher than

expected. Susan Gross addressed the timing for amendments in December by the Township Board. Chairperson Gotts suggested that the Finance Committee make a presentation at the next Township Board meeting in December. Susan Gross felt this would be ideal and preferred by the auditors for a clean year-end. Mark Stacey would seek direction from the Board and Janet Bushey. Director Jackson would schedule a space for the presentation at the Township Board meeting.

B. Public Relations Committee – Jose Mirkin stated that the Committee has met with the art teachers of Walled Lake Schools, and it was a successful meeting. Set up of the event will take place on May 15th, with the Art Exhibit running from May 18th through the 21st. In addition, Mirkin discussed his contact with the DIA. They have a program called Inside Out and they bring in reproduction masterpieces to events such as this.

Discussion ensued regarding details of the DIA program.

Mirkin also reviewed the Rotary Carnival for 2015. Due to the poor weather conditions at the 2014 event, they have requested to move the dates to June 4th through the 7th.

Randy Thomas confirmed with Mirkin that these dates would not be an issue as there wouldn't be any developments taking place yet; however he noted that it may be necessary to relocate in 2016.

C. Marketing Committee – David Smith deferred to Randy Thomas.

Chairperson Gotts directed the members to Item 8. Irrigation System Repair, prior to reviewing Item 7.

Item 7: Insite Commercial Report

Randy Thomas provided an overview of the properties to the DDA board members.

Parcels A & H – This property is under contract with M. Shapiro Development and the developer is in due diligence period and has waived the vast majority of site due diligence with the exception of storm water retention on the western part of the property, which is currently under DEQ and engineer review. Developer was granted an extension of the due diligence period for determination of the DEQ and traffic study. DEQ issues, per Developer, are currently being worked out.

Parcel B 1 – Property is currently under contract with Robert B. Aikens with an effective date of October 27, 2014. Confidentiality Agreement is no longer effective since execution of formal purchase agreement.

Parcel B 2 – DDA has received a formal Purchase Agreement from Granger Group with an initial offering at \$2.25 Million. Since have negotiated a \$3 Million PA per direction of the Marketing Committee, which Purchaser has agreed upon. DDA Attorney is providing comments to Purchaser's offer.

Parcel C – Pontiac Trail/Haggerty Road – This property is back on the market.

Parcels D & E – The property is under contract with Hunter Pasteur. Purchaser has commenced initial site due diligence.

Parcel F – Currently marketing the site. Have had very few inquiries and did not expect to have many until the DDA project broke ground with the mentioned developments.

Parcel G – DDA has closed with the Hunter Pasteur as on August 7, 2014.

Parcel I – Have received a limited number of inquiries.

Parcel J – S/W corner of Oakley Park and Haggerty – Received an initial Letter of Intent from Ray Markham for \$100,000 for 1.49 acres on the far west side of the property. Met with Marketing Committee in August and there was no interest in the offer, based on the committee's response. Ray Markham has since expressed interest in .22 acres on the immediate southwest portion of Parcel J; Kathleen inquired on information of potential impact. Will be setting up meeting with Marketing Committee upon my return with at least 2 options that Ray Markham (California Closets) may want to pursue.

Parcel K – As of this report there has been no significant discussions with adjacent property owners or otherwise on this property.

David Smith addressed possible disadvantages of splitting Parcel J. Matt Schwanitz discussed the most developable portions of the parcel which are mostly outside of the easements. He explained that this has never been a great retail strip, nor a cluster site. After hearing more from Ray Markham, Randy will sit down with the Marketing Committee if further discussion is warranted regarding the impacts.

Mark Stacey inquired about Parcel C and the impact on the value of the property now that the commercial development has been announced and the lifestyle center will be going in. Randy Thomas felt this would not hurt the value and may even increase it, but there is a need to get the rents there to support the construction and increase the value accordingly.

Item 8: Irrigation System Repair

Mike Rennie of Michigan Automated Sprinkler explained that he had basically gone over the entire Martin Parkway area over the last year and the findings regarding the irrigation system were pretty simple. The wiring was not up to the standards according to the manufacturer's specifications. The entire east side of the system does not function from the controller, and the west side from the bridge northward does not function either. This is primarily due to the faulty wiring. In the middle island, we think there were supposed to be 4 valves there, but the valves were never installed. There's just a main line and a loop of wire there. There's another zone where the nozzles were never installed on the sprinkler heads.

Chairperson Gotts explained that the DDA has tried to pursue the previous contractor, and they are working with counsel. Director Jackson stated that she and Supervisor Zoner had met with Mike Rennie and Neil, the company owner, to review what needed to be done and to request a bid. The bid was not brought before the DDA today in case it is decided that this should go out for bids. Mike Rennie and his company have taken care of the Township's system, and it is up to the members to decide whether to stick with his services, or request additional bids. Mike's quote can be presented at the next meeting.

Chairperson Gotts inquired about an estimate to repair damage and the possibility of getting a report that could actual assess the cause of the problem. Mike was asked to look at the site, assess the issues and provide a proposal for the costs to get the system working properly.

Discussion followed regarding the current status of the system.

The members discussed going out for bids, versus authorizing Mike to quote the repair project. Mark Stacey was in favor of authorizing Mike to quote the job. He felt that there was a need to have someone competent conducting the assessment and Mike has proven that he understands the system well when compared to other vendors. Tim Hoy stated that there seems to be two

issues. There are problems with the system, and in addition, things were not installed properly to begin with. The things that were not done right is what Mike should be focusing on and not the problems that developed after installation.

Mike Rennie replied that he would need more information from the original plans and bid documents. Chairperson Gotts and Director Jackson replied that the documents would be forwarded accordingly.

Jose Mirkin was in agreement that this should be pursued as it is a large sum of money invested and a written report would be beneficial showing the cost estimate for the repairs.

Discussion continued regarding the issues that caused the system not to function, the possible causes of the damages, the need to review the original bid and plans, the provisions within the contract, and the manufacturers specifications. Mike would review the data once it was resurrected for further analysis.

Jose Mirkin suggested that the DDA's direction be to continue working with Mike Rennie and have him provide an estimate for the costs to repair. Mark Stacey agreed and asked that Mike figure out how to get the system up and running for Spring 2015.

Item 9: Approval of Warrants and Finance Report

MOTION by Mirkin, seconded by Stacey, to approve the Warrants, Add-ons and Finance Report.

Discussion -

Gross - How does the Rails to Trails function impact the DDA? There is reference to correspondence for Rails to Trails on an invoice.

Director Jackson - That should be separate.

MOTION CARRIED UNANIMOUSLY

Item 10: Other Matters

- Brian Winkler and Kathleen Jackson discussed a public workshop for the trailway where information will be provided and public input will be received for the master plan that runs through Wixom, Commerce and Walled Lake.
- The next regularly scheduled meeting of the DDA is December 16, 2014.

MOTION by Smith, seconded by Mirkin, to adjourn at 1:22p.m.

MOTION CARRIED UNANIMOUSLY



Vanessa Magner, Clerk
DDA Secretary

COMMERCE TOWNSHIP DOWNTOWN DEVELOPMENT AUTHORITY
2009 Township Drive
Commerce Township, Michigan 48390

RESOLUTION

At a regular meeting of the Board of Directors of the Commerce Township Downtown Development Authority, Commerce Township, Michigan, held on November 18, 2014, in the Commerce Township Hall at 12:00 Noon.

PRESENT: James Gotts; Mark Stacey; Brian Winkler; Jose Mirkin; Tom Zoner; Susan Spelker; David Smith; Tim Hoy; Daniel Lublin

ABSENT: None

The following preamble and resolutions were offered by Mark Stacey; and supported by Daniel Lublin:

WHEREAS, The Commerce Township Downtown Development Authority (“DDA”) has, under the Fifth Amended Development Plan and Fifth Amended Tax Increment Financing Plan for Development Area No. 1 dated August 2, 2006, constructed Martin Parkway from Oakley Park Road to Pontiac Trail on the DDA’s land in the Township, totaling approximately 350 acres and located in Sections 24 and 25, including roundabouts and other roadway infrastructure, open space and storm water management and related improvements, to prepare the major portion of the Property for development and sale (collectively the “Project”).

WHEREAS, to provide for the orderly development of the Project and such portions of the Project land, the DDA entered into a Planned Unit Development Agreement with the Township dated February 12, 2013, which Planned Unit Development Agreement was recorded on April 18, 2013, at Liber 45682, Page 631, as amended, Oakland County Records (the “PUD Agreement”); and

WHEREAS, in connection with the Project and as contemplated by the PUD Agreement, the DDA platted the majority of the Project land as a site condominium, the COMMERCE TOWNE PLACE CONDOMINIUM, the Master Deed of which was dated April 16, 2013 and recorded on May 2, 2013 at Liber 45740, Page 630, as amended, Oakland County Records and being Oakland County Condominium Subdivision Plan No. 2043, as amended (the “Master Deed”, the “Condominium” and individually each unit thereof a “Unit” and collectively the “Units”); and

WHEREAS, the Condominium Units are intended to be sold, in whole or in part, to developers which will develop and construct on their Unit (or portion of a Unit) a development project in accordance with the Master Deed, PUD Agreement, Township zoning and all other ordinances and other applicable laws, rules and regulations of public bodies having jurisdiction on such developer’s project;

WHEREAS, on August 27, 2014, the DDA contracted to sell Unit 8 of the Condominium (formerly part of Unit 4) to Granger Acquisition, LLC, a Michigan limited liability company (the "Property", the "Developer" and, as amended, the "Agreement" respectively); and

NOW, THEREFORE, BE IT RESOLVED that the DDA Board authorizes the Chairperson and Secretary of the DDA, or in their absence any one of the Chairperson, Vice Chairperson, Secretary, Treasurer or DDA Director, to consummate the sale of the Property to the Developer or its permitted assignee as provided in the Agreement, **F&M Commerce Township RE, LLC** and to execute all closing documents, including but not limited to amendments to the Agreement, the PUD Agreement, the Master Deed or other Condominium documents, any title company documents, deeds, bills of sale, assignments of rights, closing statements, affidavits, Condominium Association documents, easements, restrictions, Developer Section 1031 tax deferred exchange documents, side letters and any other documents whatsoever necessary or desirable in order to sell and convey the Property and consummate the transactions contemplated by the Agreement between the DDA and the Developer; and

FURTHER RESOLVED, that the DDA execute and deliver all such documents, take all such actions and perform all such obligations in connection therewith for the DDA to sell the Property in accordance with the Agreement, as amended and otherwise to effectuate the intents and purposes hereof, with any modifications to the terms of all of the foregoing as are deemed appropriate by the person or persons consummating the transactions on behalf of the DDA; and that the actions of such person or persons in consummating such transactions with such modified terms shall be conclusive evidence that such modified terms have been deemed appropriate and are approved.

FURTHER RESOLVED, that all prior and current actions taken by the DDA or the person or persons executing on behalf of the DDA, or their agents, attorneys and advisors in furtherance of the transactions contemplated by these Resolutions are hereby ratified and confirmed as the actions of the DDA.

MOTION by Mark Stacey

SECOND by Daniel Lublin

ACTION ON THE MOTION – Approved Unanimously

November 18, 2014

783655