

Final
CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
****Special Meeting****
Tuesday, June 7, 2022
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 12:01pm.

Downtown Development Authority:

Present: Debbie Watson, DDA Director
James Gotts, Chairperson
Steve Matta, Vice Chairperson
Larry Gray, Township Supervisor
David Smith, Member
Brian Winkler, Member
Tim Hoy, Member

Absent: Jose Mirkin, Member (excused)
Susan Spelker, Member (excused)
Elizabeth Bulat, Member (excused)
Sandy Allard, DDA Assistant

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

Item 1: Public Comments

No comments.

Item 2: LaFontaine Automotive Group - Purchase Agreement

Director Watson deferred to Attorney Rauch.

Attorney Rauch – Thank you. We’ve talked about the transaction quite a bit, so it isn’t new to the Board. You had a copy of the negotiated agreement. It started out as our prototype agreement, which is a straightforward sales agreement. As I’ve mentioned in other meetings, it leans in favor of the seller. The proposed buyer, Lafontaine or LAG, has made modest requests for changes from what we normally do, all of which I believe were ordinary and reasonable. Frankly, there were less changes than we might have expected. Therefore, we provided a final negotiated version. We were told that they would very much like to have approval prior to the next regular DDA meeting, which is the reason you’re here now. Randy, is there anything you want to add?

Randy Thomas – They’re looking to start as soon as possible.

David Smith – Just to regale a couple of things. Lafontaine owns the former Dick Morris site. Are they going to revamp that into a Lafontaine dealership?

Randy Thomas – No, it's going to be their service center for the two brands that they're putting on the corner of Pontiac Trail and Haggerty.

David Smith – So the corner piece next to Walmart is going to be a high-end dealership?

Randy Thomas – It's going to be very close to the renderings you've seen. It will be the two dealerships. The higher end dealer, Genesis, will be moved to the more prominent position on the corner. Hyundai will be off the corner.

The reason why they're looking at the land on Oakley Park is to have that as an overflow lot. Vehicles would be delivered there by the trucks, and then they would be shuttled back and forth to the dealership site. So Parcel C will have minimal vehicles onsite.

David Smith – So in terms of Oakley Park, they want to use that as storage, but I still think they should have a building there.

Tim Hoy – Oakley Park is not part of this transaction.

Director Watson – Correct.

Randy Thomas – It's separate ownership.

Treasurer Phillips – They want Parcel C, even if they can't get Oakley Park.

Director Watson – Right, they said it's not a deal breaker.

Attorney Rauch – In fact, one of the specific changes that they requested to the purchase agreement was where I described the municipal approval process and included the Oakley Park property; they asked for, and we consented to, put in a provision that says, *...if and when acquired by purchaser or an affiliate thereof*. They specifically did not want to be put in a box where they had to develop the Oakley Park property, perhaps because we understand that they have rights to purchase it, but they haven't.

Vice Chairperson Matta – They probably don't want to get stuck with it either because they know our reluctance to allow them to put cars only there.

Director Watson – Dave, correct me if I'm wrong, but I felt like during the conceptual, they expressed that it was more of a money issue. They're not ready to spend more money yet on a building there.

Dave Campbell – Well, and what would be the use of that building?

Director Watson – Right.

Dave Campbell – They also recently purchased what used to be Walled Lake Collision and that's Lafontaine Collision now. That's their body shop, so they've got that covered, and Dick Morris would be their service center. If they were to put a building on the Oakley Park site, so that it's not just a wide open parking lot, they're not sure what services they would offer in that building.

David Smith – I just worry because when we knocked down the Silverdome and they were storing cars there, it was a fiasco of how many cars were stolen constantly.

Chairperson Gotts – David, I think if the Township were ever to consider approval of that site, we would mandatorily require the installation of anti-theft devices.

Director Watson – And just to reiterate, we don't own the Oakley Park site. However, it is DDA capture property, so we don't want to see it as just a parking lot, especially for that reason.

Attorney Rauch – And remember, we the DDA will have no direct control over what happens, assuming that the agreement is signed and they do their due diligence and go forward and purchase the property. We have covenants that they will do a project, and that they will use commercially reasonable efforts to get that project done, but as has been the case with the DDA's approach with most sales of property, the DDA is relying on the Township and the control that the Township will have in a PUD agreement, a Sub-PUD agreement, along with the Planning Department and zoning controls. We, the DDA, really have no control. They buy the land, write us a check, and then they comply with the municipal requirements. It is not the DDA's job to dictate their security and theft prevention measures.

Chairperson Gotts – Counselor, for the record, would you indicate your acquiescence and acceptance of our execution of the contract as it is presented?

Attorney Rauch – What we have provided you is a document which their attorney and their principals have indicated they're willing to sign. I do have a lined version of what they asked to change, and I believe the changes are reasonable. Therefore, I would have no problem with you entertaining a motion to approve the execution of the agreement.

MOTION by Smith, supported by Hoy, to approve execution of the Lafontaine Automotive Group Purchase Agreement, for purchase of the DDA's Parcel C, as presented by counsel.

MOTION CARRIED UNANIMOUSLY

Discussion continued regarding renovation of the former Dick Morris site.

Item 3: Other Matters

Director Watson – I would just note that Tom and I are working on the RFP for DDA Legal Services. We should have a draft for your review in the packet for our next regularly scheduled meeting on June 21st.

Item 4: Adjournment

MOTION by Hoy, seconded by Winkler, to adjourn the meeting at 12:11pm.

MOTION CARRIED UNANIMOUSLY

The next regularly scheduled DDA meeting is Tuesday, June 21, 2022, at 12:00pm.



Melissa Creech
DDA Secretary