

Final
CHARTER TOWNSHIP OF COMMERCE
DOWNTOWN DEVELOPMENT AUTHORITY
Tuesday, March 19, 2019
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
Brian Winkler, Member
Tim Hoy, Member
David Scott, Township Supervisor

Absent: Melissa Creech, DDA Secretary (excused)
Jose Mirkin, Member (excused)
Susan Spelker (excused)

Also Present: Debbie Watson, DDA Assistant
Thomas Rauch, DDA Attorney
Molly Phillips, DDA Treasurer
Matt Schwanitz, Giffels-Webster Engineer
Randy Thomas, Insite Commercial
Dave Campbell, Township Planning Director
Courtney Mikola, Wycliff HOA Representative

Item 1: Approval of Minutes

MOTION by Lublin, seconded by Averbuch, to approve the Regular Meeting Minutes of February 5, 2019 as presented. **MOTION CARRIED UNANIMOUSLY**

Item 2: Public Comments

None.

Item 3: Insite Commercial Report

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

- Generally this time of year, we get increased activity. Primarily, there's interest in everything from Pontiac Trail and Haggerty, going north to the other two parcels, Parcel L and Parcel J1.
- Parcels A&H – Shapiro's Barrington development; There's a lot of pipes being laid out for the finishing of their sewer system. Their intent is to start on the clubhouse. They'll be pouring footings soon after the frost is gone. After that, they will go at it with two buildings simultaneously to complete the buildout. So I anticipate that this year, we'll see roads, the clubhouse and a couple of the buildings going up on the development.
- On the front portion of Martin Parkway, the hard corner of Pontiac Trail and M5, we still have a credit union. We're not sure when or if they'll make a commitment. Then we have

a retailer looking to acquire to build a retail facility on the remaining portion Shapiro owns. That would be the southern portion, north of the credit union.

- Parcel B1 – Aikens, Five & Main; Bruce is at a point where he is getting more committed with the project. I'll be picking up the signed lease for the market and delivering it to him. That deal is done and that will be the first major lease he has signed. The theater deal is still moving forward. It has been downsized slightly, from about 52,000 square feet to 44,000. That will still incorporate the restaurant inside and the other uses out front. Bruce will be closing in July of this year.

Director Stacey – The discussion with Bruce has not be whether he will close; it's when he will be breaking ground. It's this year or next year.

Randy Thomas – That's correct. I highly doubt this year will be feasible for him. He needs to fire off architectural. He needs to finish site plan and do everything with Planning and the Township Board. I don't see groundbreaking in 2019, but 2020 is very feasible.

- Parcel B2 - Granger, First & Main; nothing new to report.
- Parcel C – The hard corner of Pontiac Trail and Haggerty Road; As I shared with you at the beginning, this would be the same with Parcels L & J1, we've had an increase in traffic and inquiries. We had a group expressing some sincere interest in Parcel C. They wanted to see previous planning, and we sent them information.
- Parcels D&E - Pulte, Merrill Park; They're pretty much done. We anticipate later this year, they'll turn it over to their Homeowner's Association. If we need something from them, we should start our list now before that happens.
- Parcel F – The 2.3 acres in front of the Township Hall; We still have the dental group. They stay in touch with me. They are awaiting movement on the Aikens parcel before making a commitment. We've had a few other inquiries on this parcel.
- Parcel G - Wyncliff; Nothing to report.

Courtney Mikola – We had our last homeowner move in last month. We are 100% occupied.

- Parcel I – BBI Holdings, Gilden Woods; North of the Township Hall

Dave Campbell – It's a nicer childcare facility than my kids ever went to.

- Parcel J1 – 2.38 acres on the hard corner of Oakley and Haggerty; increased activity and inquiries as mentioned earlier.
- Parcel J2 - NorthPoint, Beyond Self Storage; Dave?

Dave Campbell – Same as last month; the ground floor is open to the public, but there is some sort of delay with the State as far as getting their freight elevator approved. They can't publicly occupy the upper two floors until the State signs off on the elevator.

- Parcel K - The orphan piece across the street; Nothing to report.
- Parcel L - 1.8 acres on Haggerty Road; increased activity as mentioned earlier.
- Parcel M&N - These are the two out-lots that are being retained by the DDA within the Aikens development. We are taking names and numbers right now from inquiries.

Item 4: Insite Commercial Contract

Attorney Rauch – The contract with Randy Thomas to represent the DDA as a consultant to sell the properties has been in effect for about 6 or 7 years. Over the last year or so, we've developed a more detailed reflection of how Randy's commission would be paid as the Aikens project comes to fruition and closes in phases.

We drafted a document which I forwarded to you last week, representing the specifics of what would happen during the sale of that property, and future properties would be included the same way, which reflects the understandings of the parties, in particular the Chairperson and the Vice Chairperson of the DDA who were involved in the final determinations.

That's my report and it's ready to be implemented upon approval.

MOTION by Lublin, supported by Hoy, to approve the amended Insite Commercial Contract as presented by counsel.

Discussion –

David Smith – Randy, are you happy with this?

Randy Thomas – Yes.

MOTION CARRIED UNANIMOUSLY

Item 5: Director's Report

• Updates on Developers -

- Aikens - Commercial Project – *(Covered by Randy)*
- Pulte - Merrill Park *(Covered by Randy)*
- First & Main – *(Covered by Randy)*
- Shapiro - Barrington – *(Covered by Randy)*
- NorthPoint – We did speak with them about the fence to be removed. Because the yard has not been sodded, they can't take down the silt fence yet. Jay has requested that it be done first thing, and we'll keep pressure on them to get it removed as soon as possible. In addition, I offered up to them the ability to cut our piece of property to make theirs look better. It's something I didn't think we needed to do. We cut what is required by the Township, but they certainly were receptive to it because it will make their presentation look better.
- Gilden Woods – *(Covered by Randy)*
- Wyncliff – *(Covered by Randy)*

• MTT Judgments – None

• HOA Items –

- **2019 HOA Budget** – Same as 2018; We have set up a CTPA meeting on April 25, 2019 at 10AM here at the Township Hall to get the budget approved. Jim Galbraith will be back in town and in attendance.
- **Dues** – We have not yet billed the CTPA dues because the budget has not been approved. As soon as it is approved, we will send out the invoices immediately.

Courtney Mikola – Is that meeting going to be open?

Director Stacey – It's only for Board Members of the CTPA Master Association.

Attorney Rauch – The Association hasn't made any determination, but it will be a very informal, very quick meeting. As we've discussed before, Wyncliff has decided that it needs to have further discussion of the budget, even though the other Directors of the Association had approved the budget long ago. We are accommodating Wyncliff by having the meeting on April

25th. I have every expectation that those who supported the budget previously will do so again. Whether Wyncliff supports it or not, it then would be in a position to move forward.

Courtney Mikola – I would like to request that Steve Kiryakoza be able to attend that meeting.

Director Stacey – I have no objection. It's fine, we're just not looking for a full homeowner's group. He can certainly come in and observe.

Courtney Mikola – Thank you.

- **Lighting - CJs Lighting, Chris Niestroy, Shaw Electric, Keith Greene**
 - We currently have 6 streetlights out. Chris has marked those and is scheduling repairs.
 - Bridge Lighting:
 - In addition, we have worked on options for the bridge lighting.
 - Let me remind you that the Martin Parkway bridge has a tunnel underneath, which was lit up in the original design. At some point, the lights were vandalized and the DDA paid to have those lights replaced. We put in what were considered vandal-resistant lights, but those were destroyed again. That really had a lot to do with the fact that the property was sitting empty. So we turned those lights off and had them capped.
 - The rest of the lighting system was turned over to the CTPA, except for the repair of the bridge lights.
 - It has now come to the point in time where the DDA needs to reinstall those lights and then turn that obligation over to the CTPA.
 - We did research through our lighting contractor, and there is no ultimate, complete vandal-proof lighting available. Even the lights that would cost us approximately \$20,000 are not guaranteed to be totally vandal proof. In looking at solutions, it became apparent that the rope lighting system may be the best way to address this issue. The rope lighting is designed for outdoor use, high impact, and it can also be spliced back together.
 - In our esteemed wisdom when the tunnel was designed underneath the bridge, we put a rock garden next to it. If someone throws a rock at the rope lighting, we should be able to splice the system back together.
 - Included in your packet is the quote for the rope lighting, which is a custom order, requiring a deposit up front of \$3,000. I'm looking for approval from the DDA to put in the lighting system through CJ's Signs & Lighting, utilizing the rope lighting, with the project's expected cost to be \$5,400 total.
 - Once this is installed, we can turn it over to the CTPA and have the lights back on. I need a motion because this is a DDA expense.

David Smith – How does the CTPA feel about that?

Director Stacey – As the head of the CTPA, I feel very good about it. We will have lights under the bridge.

Courtney Mikola – Wyncliff is also in support.

MOTION by Smith, seconded by Lublin, to approve the Martin Parkway Bridge/Tunnel Lighting proposal as presented in the quote from CJ's Signs & Lighting.

MOTION CARRIED UNANIMOUSLY

Director Stacey – I will also be sending out a notice to the CTPA homeowners asking them to please help with watching kids to prevent future problems.

David Smith – We don't have motorcycles running through there anymore.

Director Stacey – No, because people are in it. Susan, have you had any problems on the site recently?

Susan Averbuch – No, because there's so much activity in the development such as people walking their dogs, et cetera.

Courtney Mikola – Mark, when will the lighting be done?

Director Stacey – We will order the rope lighting today after the meeting.

- **Landscaping - United Lawnscape, Brian Sparks**
 - Tree Replacements – We have talked with our tree contractor about the trees that were removed this winter. We are at the top of his list for spring planting.
 - In addition, someone ran into two large trees at the main roundabout. We requested a police report and we will follow-up with an insurance claim for those trees to be replaced also.
 - We have a pre-season meeting scheduled with Brian Sparks of United next week. We have already signed a contract with them for 2019, and there were no price increases.
- **Irrigation - Michigan Automatic Sprinkler, Mike Rennie**
 - We also signed our 2019 irrigation contract.
- I know right now, the common areas look a little bit rough, sort of like our own yards. Winter was tough on them and we need to get it cleaned up, but the snow just left. We will start on it very soon.

David Smith – Wonder when the RCOC will fix that fence.

- **Other**
 - **RCOC**
 - The RCOC is aware of the damage to the fence. We've informed them.

Dave Campbell – The roundabout fence; they're aware of it. It's on their schedule to fix it and I think they said about 4 weeks. I think part of it is they're trying to do a triage on the roads, so the fence isn't their highest priority. They also said they want to wait until mid-April when we are hopefully out of snow and ice season.

Director Stacey – I was contacted by legal counsel for the Township because they were going after the driver. They thought it was our fence, but I pointed them toward the RCOC.

David Smith discussed barrier options that might be long lasting. Dave Campbell explained that the green fence is an interim until we see what happens with the Aikens development and the roundabout. It was hit within six weeks of going up. That may be an indicator that nothing too elaborate should be done in there. Treasurer Phillips noted that the Township paid for part of that fence in the first place. Supervisor Scott felt that the fence repair is maintenance and the RCOC will take care of it. Director Stacey concluded that he believes there was a driver with insurance to be pursued by the RCOC for reimbursement in that incident.

Director Stacey – Dave, can you bring us up to date on the roundabout study?

Dave Campbell – As I've mentioned, the RCOC is having their roundabout consultant take a look at it, relative to the traffic study that Aikens had done for his development. That study showed that an extra northbound lane was needed. The RCOC wanted their guy, who is based out of Atlanta, to look at it.

The traffic counts were forwarded to the consultant, by the Township and the RCOC. They were very specific counts. He felt something did not look right with the data. He is now coming here to do his own counts to complete his analysis. Those results should be available soon.

I'm hearing from the consultant that it comes down to a question of capacity versus safety. Yes, you could add lanes and get more cars through there, but at what cost to safety? The more lanes you add, the more opportunity there is for people to weave, and change lanes, bumping into each other even more. There is a balance between getting as many cars through as possible, but also keeping people safe.

Item 6: Attorney's Report

Attorney Rauch – Things have been relatively quiet on operational matters. We've been assisting where necessary on the bonds, which is coming to fruition in the next week or so. We've been working closely with Mark, Deb, and Bowden Brown over the last few days to make sure the documents are in proper form.

Item 7: Engineer's Report

Matt Schwanitz, Giffels Webster – Like Tom, things have been very quiet. We've had a couple of small inquiries, but that's really been it.

Item 8: Planning Director's Report

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

- I've touched upon a couple things already.
- To follow up on Randy regarding the Barrington project; They're hoping to have utilities done within the next month or so, obviously weather permitting. As soon as that's done, they'll be cutting in the roads. Hopefully we will see roads this spring, and then they will begin on the clubhouse/sales and leasing office. They hope to have that open by the fall. In speaking with Mr. Galbraith today, it sounds like the first residents will be moving in during the Spring of 2020. That's his tentative timeline.
- The same contractor who is putting in the sanitary sewer for that project is also then going to do the Township project, which is to abandon the pump station at Campbell Creek. Right after they finish the private utilities on the site, they will move onto that project. They had to get a new easement from Walled Lake Schools, as they own the

property in between. Apparently there was an AT&T fiber in there, and they had to shift a few things around.

- Although this is outside of the DDA area, you might be interested. Bay Pointe Golf Course is back in interest for redevelopment. This is nothing new. There was a developer looking at it back in 2005 to do some condominiums. There are some investors looking at that again. Probably sometime within the next 5 years, you'll see something other than a golf course on that property.
- The M5 pedestrian bridge; I'm told they're very close to approving the shop drawings for the blue wave panels across the face of the bridge. Once approved, I'm told it's 6 weeks to fabricate them, 2 weeks to install, and 2 weeks for weather contingencies, et cetera. Hopefully by late spring or early summer, we will finally see the finishing touches to the bridge over M5.

Director Stacey – Do you know if they will have to close M5 at all to install them?

Dave Campbell – No, and that's part of the agreement. They have to demonstrate to MDOT that they can hang the wave panels without impeding traffic. They may have to shut down one lane on either side.

Director Stacey – I know you had said that you were looking at having the Commerce Township symbol painted, on the concrete. Is there anything happening with that?

Dave Campbell – Nothing specific, but we've talked about it. The one thing we are waiting on is that MDOT told us the concrete still needs to cure. When it cures, it may lighten up some. We will give it some time and better, drier weather to see if that happens. But I do think to really make the emblem pop more, we could skim coat the raised portions with that same color of white that's on the abutments.

Item 9: Committee Reports

- A. Finance Committee – Director Stacey – As you'll remember at last month's meeting, we walked about the cash advance that was needed for the DDA. In the 2019 DDA Budget we have a \$2 million cash advance. We told you at the last meeting that we thought it was going to be approximately \$1.5 million, and that we'd be going to Township Board, which we did do. They approved the cash advance for \$1.5 million. I've included a cash flow requirements activity report under tab 9, showing you how we arrived at that number. I would like to reaffirm your authorization for the cash advance made for the DDA in an amount of \$1.5 million.

MOTION by Smith, supported by Lublin, to reaffirm the \$1.5 million cash advance from the Township to the DDA. **MOTION CARRIED UNANIMOUSLY**

Director Stacey – The second key thing I want to talk about is the bonds. I'm going to let Molly discuss this, because it's all good news I think.

Treasurer Phillips – They did our bond pricing last Tuesday, and the market was favorable. They've got all of the bonds going out in 2034 for the new issue spoken for. Our current all-in rate on the variable rate bonds is at 3.25%, between the remarketing, the letter of credit and our variable rate interest. They've successfully locked us in through 2034 at an average all-in rate of 3.48%. Knowing how fast it has gone up in the last year, I think that's really a good deal. Our longer term bonds are at

a little bit higher rate than that, and our earlier term bonds are lower than that. Starting in 2028, we call any of the longer term bonds if we want to. I think it's all good and we're set to close on March 27th, which is next Wednesday.

David Smith – What is the cost to close?

Treasurer Phillips – It's all rolled into the new bond prices. We're not out-of-pocket anything except the Stern Brothers fee, and the interest on the currently outstanding bonds through April 8th when they'll be paid off.

David Smith – And that's 8 years...

Treasurer Phillips – 10 years before we can do anything. The first bond call available is 10/1/2028.

Vice Chairperson Lublin – You said variable. Does that mean we can change monthly?

Treasurer Phillips – No, that's the current ones that are due, which reset every week. There's no variable rate anymore once those are paid off on April 8th.

David Smith – The total amount of the financing?

Treasurer Phillips - \$34,465,000.

David Smith – Is that our total debt?

Director Stacey – No, it's about \$61 million total debt outstanding. We did get top ratings for the debt that was issued.

Treasurer Phillips – Yes, S&P raised us.

Director Stacey – So both were top ratings. Jim signed the forms today for the closing on the bond issue next week. We will be out of the variable rate environment.

Discussion continued regarding the savings as a result of the variable rates over the past years, which was about \$15 million, and the future savings by locking in the fixed rates now.

Treasurer Phillips – One other thing to bring up on that is they did a basic analysis, which was hard to do, but taking the variable rate we have now with the balloon payments out in the future, we were looking at paying \$5 or \$6 million in principal in 2034. They're estimating that even with one more uptick in the fed rate any time during that variable period, we've saved at least a half a million dollars in interest by fixing the rates now.

David Smith – Good, thank you. Very nice job.

Director Stacey – Certainly Molly has taken the lead on this. Thank you. It's going to put the DDA in a better position to know what the future costs are. We took advantage of the variable rate for as long as we could and now it's time to be done with it. You'll note that we did have the add-on invoice from Stern Brothers in the amount of \$748. This was something that came up at the last minute.

Treasurer Phillips – Stern Brothers is our remarketing agent for the variable rate bonds, and we're required under the terms of the bond agreement to have a remarketing agent as the bonds are active. They are still outstanding until they're called, so we have to pay the remarketing fee between 3/31 and 4/8.

Director Stacey – Rather than going back and trying to roll this in, we will pay the \$748.

Treasurer Phillips – There's a \$4900 contingency in the closing costs, but we didn't want to use that. If we don't use it, it comes back to the DDA. It was just easier to pay it. Otherwise, it would shortfall the contingency fund.

David Smith – It's still nominal for the amount of money we just did.

- B. Public Relations Committee – Jose Mirkin submitted a report via email, which was included in the packet. The next K-12 Art Exhibition will be set up at the Commerce Township Library on Friday, May 17th. The Exhibition will run from Saturday, May 18th to Saturday, May 25th, with a reception on May 22nd from 5 to 7PM.
- C. Marketing Committee – David Smith – I would agree with what Randy said. Spring brings new interest in properties. Per our marketing discussions, there's a little fluidity into what's going on. It's a positive thing but I can't elaborate. It's exciting what the future holds for us.

Item 10: Approval of Warrants and/or Carryovers, Add-ons, Revenue & Expenditure MOTION by Lublin, seconded by Winkler, to approve the Warrants and/or Carryovers, Add-ons and the Revenue & Expenditure Report. **MOTION CARRIED UNANIMOUSLY**

Item 11: Other Matters

- **The next regularly scheduled DDA meeting is Tuesday, April 16, 2019 at 12:00pm.**
- Susan Averbuch explained that she has been dealing with a major personal issue. Her appointment is up in May, and unfortunately she will be unable to serve on the Board going forward. Director Stacey, Supervisor Scott and Chairperson Gotts expressed their appreciation to Susan for her significant contributions to the DDA Board, and offered words of support. Susan also discussed the Adopt-A-Road program.
- Supervisor Scott discussed survey work and upcoming road projects. Cooley Lake Road, from Union Lake Road to Oxbow Lake Road, is going to be redone this year. A roundabout will be installed at Carroll Lake and Cooley. There's a meeting next week to discuss putting a roundabout at Wixom and Wixom Trail to get rid of that albatross of an intersection hopefully. That will be a challenging project as there is a bog on the side of the road.
- Supervisor Scott noted that he sent a letter to Amazon to encourage them to look at Commerce Township, regarding the 50 acres at Williams International, and there's 30 acres north of that. The Senior VP for Amazon called Mr. Scott and reviewed the site on

Google Maps as they discussed it by phone. He expressed interest and also appreciated small town America reaching out in the form of a hard copy letter, which is something rarely seen today.

- Supervisor Scott also noted that he had the pleasure yesterday of hosting the General Counsel for Japan, the Ambassador. He came here to touch base with Commerce Township because we have a very large and growing population of executives from Japan working here in the U.S. and living in Commerce Township. We are ranked 3rd; Novi has the largest population which is over 4,000 and Ann Arbor is the 2nd largest with over 2,300, most of which are students. Commerce Township is just under 500 residents from Japan.

Item 12: Adjournment

MOTION by Lublin, seconded by Smith, to adjourn at 12:44pm.

MOTION CARRIED

UNANIMOUSLY



Melissa Creech
DDA Secretary

03/13/2019 08:37 AM
User: JBUSHEY
DB: COMMERCE

INVOICE APPROVAL BY INVOICE REPORT FOR CHARTER TOWNSHIP OF COMMERCE
EXP CHECK RUN DATES 03/19/2019 - 03/19/2019
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

BANK CODE: DDA
DDA WARRANT REPORT
MARCH 19, 2019

Vendor Name	Invoice Date	Description	Amount	Check #
1. CJ SIGNS & LIGHTING, LLC	03/12/2019	INSTALL ROPE LIGHTING AT THE MARTIN PARKWAY BRIDGE	3,000.00	
2. DEBORAH WATSON	03/13/2019	DDA ASSISTANT HOURS, 2/5/19 THRU 3/13/19	1,037.50	
3. GIFFELS-WEBSTER ENGINEERS	02/19/2019	PROFESSIONAL SERVICES THROUGH FEBRUARY 9, 2019	858.00	
4. KEMP, KLEIN, UMPHREY & ENDLEMAN, PC	03/05/2019	PROFESSIONAL SERVICES THROUGH FEBRUARY 28, 2019	3,738.90	
5. MARK STACEY	03/13/2019	DDA DIRECTOR 2/5/19 THRU 3/13/19	6,225.00	
TOTAL - ALL VENDORS			14,859.40	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			14,859.40	

BANK CODE: DDA
DDA CARRY-OVER WARRANT REPORT
MARCH 19, 2019

Vendor Name	Invoice Date	Description	Amount	Check #
1. DETROIT EDISON				
	02/11/2019	2660 OAKLEY PARK	125.47	2085
	02/11/2019	3106 MARTIN PARKWSY	101.88	2085
	02/11/2019	2581 LIBRARY DR.	728.93	2085
	02/11/2019	2579 LIBRARY DR	16.63	2085
		TOTAL	972.91	
TOTAL - ALL VENDORS			972.91	
FUND TOTALS:				
Fund 499 - CAPITAL PROJECTS - DDA			972.91	