

CHARTER TOWNSHIP OF WHITE LAKE
Approved Minutes of the Special Board of Trustees Meeting
April 28, 2021

Supervisor Kowall called the meeting to order at 6:00 p.m. The meeting was held via Zoom video conferencing. He then led the Pledge of Allegiance.

Clerk Noble called the roll:

Present: Rik Kowall, Supervisor – present in White, MI
 Anthony L. Noble, Clerk – present in White Lake, MI
 Mike Roman, Treasurer – present in White Lake, MI
 Scott Ruggles, Trustee – present in White Lake, MI (arrived late)
 Liz Smith, Trustee – present in White Lake, MI
 Andrea C. Voorheis, present in White Lake, MI
 Michael Powell, Trustee – present in White Lake, MI

Also Present: Sean O’Neil, Planning Director
 Jennifer Edens, Recording Secretary

AGENDA

It was MOVED by Clerk Noble, SUPPORTED by Trustee Powell to approve the Agenda. The motion PASSED by roll call vote (Powell/yes, Smith/yes, Kowall/yes, Roman/yes, Voorheis/yes, Noble/yes).

PUBLIC COMMENT

No public comment.

CONSIDERATION OF CIVIC CENTER DEVELOPMENT COMMITTEE RECOMMENDATION

Supervisor Kowall reminded that the Township has been going through the Civic Center Development Committee (CCDC) for some time now. He thanked all the CCDC members, Director Sean O’Neil, and Howard Kohn.

Director O’Neil echoed Supervisor Kowall’s comments and noted that he is proud of where this is now and is excited for the future. He shared that on the 21st of April the CCDC met with Howard Kohn to discuss his recommendation and reviewed what he referred to as the “picture worth a thousand-word concept drawing”, which is a a very conceptual and not the plan they built, but a starting point for the discussion. He indicated that tonight the CCDC submits its recommendation to the Board to move ahead with River Caddis to come up with a project plan and budget. The group understands that the conceptual is not where this will end up but again a beginning. He looks forward to working with the CCDC and hopefully a future partner, the Board, and the public regarding this. He believes the public, going forward, will play a critical part in this with a potential open house forum.

Howard Kohn wants the Board to remember what the Committee did was evaluated the entire body of the evidence since the beginning of the process; from the submission of the RFQ being put together to the responses to the RFQ. He shared that there were a lot of comments and a definitive conclusion from that

process and assuming the Board approves the Committee recommendation, a developer agreement will need to be created that will include timeframes with extensions built in, a fiscal analysis focusing on the public buildings and infrastructure, and a work session between the CCDC and River Caddis to explore the conceptual framework more. He furthered that an external and internal charrette will need to be set up where the Committee and some of the Board sit around a table with a sketchpad and go forward. These are things he sees happening from this point.

Supervisor Kowall believes this is very interesting to watch this go from the beginning to this point. It has been nearly two-years since this started and COVID slowed the process a little bit. None the less after exploring ideas and spending time with the presenters it seems to be that the unanimous consensus from the CCDC is to move forward with the River Caddis Group. They felt that they were much more in tune with the Township's vision or at least working in the direction where they could develop a vision thereof. The mixed use was a very important factor. The Township is now at a point of designing charrettes and when appropriate regarding the financial end of it, Supervisor Kowal will be in contact with the township attorney, Clerk Noble, and a specialized group of attorneys who handle these types of things. He noted that they are trying to look out for the both the publics and Township's best interest as well as public safety.

Supervisor Kowall reminded that the recommendation from the CCDC was to move forward and establish a relationship with the River Caddis Group.

Trustee Powell questioned if the Township needs to go in two separate directions with timing. He can see the CCDC moving ahead with joint meetings with River Caddis in solidifying and doing a charrette/meeting for a more insightful/creative plan. He is not convinced that the CCDC should have or would have any desire to have any part of contractual negotiations. He further questioned if the specialty attorneys will input on the financial end of things.

Supervisor Kowall interjected that the CCDC will not be part of negotiations and that it would strictly be a Board matter. The CCDC is strictly a committee to make suggestions to the Board, to which the Board makes the final decisions.

Clerk Noble shared that he and Supervisor Kowall met with a specialized law firm that specialize in two parts:

- Structuring of the deal. There is one attorney has over forty-years of experience in this area. He indicated that the Township is coming into a partnership, one like a marriage. He stated that they are in the business to make money and the Township is in the business to save money.
- Structuring the law with real estate. The other attorney is an expert in this area.

He feels very comfortable with this law firm. He has done background research on them and they have done major deals with investment groups in Detroit and surrounding areas. He thanked both groups for their presentations. He also thanked the Committee for handling it the way they did. He thinks the right decision was made.

Treasurer Roman noted that no one needs to be a brain surgeon to understand if the Township can structure a good deal or a bad deal. Simply put whatever deal comes to the Township, he would approach it by looking at cash out less the cash in. That would be the cash out stream, discount it to a present value

today and determine whether that number makes sense. If the present value of cash flows that are going to go out for the Township to get a building, for example \$30 million, but we know it can be built for \$20 million, then it might not make sense. He thinks that is the way it must be looked at.

Trustee Powell believes there is another angle that is not as accounting driven, is that there is a cost value of the property and that value is based on what the Township purchased it at. However, developers buy property like that all the time and then market it up because it is now worth more to them after they buy it. He continued that once you put a plan together it is worth even more because of the effort put into it. Once the plan is approved it is again worth even more. Every step along the way the land value increases. He questioned at what point does the Township get the equity of the developer making profit on what the Township is doing. The goal is for the Township to get as much for that as it can so it can build the building for as little out of pocket as possible.

Treasurer Roman loved what Trustee Powell stated and couldn't agree more. The Township needs to negotiate whatever it is now, to get what it wants. The value of the property will go up and the fact that this truth exist should come back to the Township in the form of a lower costs to the Township.

Supervisor Kowall indicated that is the ultimate plan and there are several different avenues the Township can go down. Some that are more advantageous than others; land lease being the most advantageous for the Township. Not only would it provide a steady stream of revenue, but a tax base for the land and buildings built on the property. He noted that there is no pro forma yet and these are things that will be explored. He indicated that the Township would ask River Caddis to sit down and create a pro forma based on the current property, where the Township thinks it will be, what the maximum square footage will be, and yields in certain areas. He further stated that all these things will change as the design comes together. The Township needs to continue forward to get to conceptual design. The Township has an understanding of what the community wants and there will be a point to determine how to make it fiscally responsible. In the end the Township will defer as much as possible. He thinks getting into the weeds of it right now is premature. He compared it to a math equation; the Township needs X to figure Y to the Z. We have a concept on how to get there. He and Mr. Noble will continue explore and consult Mr. Roman and divulge all this information to the Board so that decisions can be made. He thinks it unrealistic to think that the Township can defer all the costs but could defer quite a bit of it. He opined that ultimately it will be creating an area that one might not be able to put a dollar value on it i.e., trails that will connect the library or Stanley Park), but the quality of life will improve in the community. He hopes that the Board will be of like mind and approve River Caddis as a potential partner.

Clerk Noble thinks there are a lot of moving mechanics involved in this partnership. He believes the Township is scouting and picking a team. They are interviewing and finding the best option to make the team successful. He noted there have been some great ideas regarding the visioning session and that they are moving the ball down the field and are on track.

Trustee Ruggles asked what happens in the event that the Township is not happy, specifically he asked if there is an exit plan.

To which Supervisor Kowall indicated there is always an exit strategy, but that the Township needs to make a commitment that the Township is going to move forward with their proposals and working through design mechanics further. He stated that no one is going to dance with the Township unless they have a ticket and that no one will come in and spend \$100,000 plus on a development doing preliminary work without a commitment from the community. The level of commitment that the Township will make will take it through the design stage and proforma stage.

Trustee Ruggles indicated that it seems to him that they have a lot of work to do on the design. He feels that it was as if the visioning sessions were ignored.

Supervisor Kowall stated that depending on how you look at it, one party completely ignored it and one party partially reinterpreted what their vision was of what the Township wants to do.

Trustee Ruggles is hopeful that regarding the ability to exit that there be an option that is clean for the Township.

Sean O'Neil indicated that the Township is focusing on more of trying to get a partnership off the ground and not hoping for an exit strategy for either party, because it does work both ways. He noted that the Township needs a partner in order to move forward and the partner will need the Township. He believes that is the angle to approach it with. River Caddis wants a true partnership and wants to start working with the Township. He noted this is just a plan to get a discussion going, a beginning of a full-blown process of making sure there are certain elements of design that the Township is going to need and certain elements the developer will want as well. He hopes the visions can align. He clarified that it was made very clear to the developers that the Township was looking for something very rough, very conceptual because it didn't want them to spend a lot of time or money at this point. He wouldn't be very concerned with what they have seen so far it is just a beginning of a conversation. He is optimistic that they can get where the Township wants to be by starting this conversation.

Howard Kohn thinks that the Township shouldn't be looking at the idea that they will be on a different page than somebody else. Both entities are looking to maximize their return and minimize their cost. To address Trustee Ruggles concern he indicated that it wasn't just the concept, it was the full body of evidence with the conclusion being which one to move forward with. There is always an exit that is very clean to the jurisdiction.

Trustee Smith shared that she was disappointed in both drawings and found them very underwhelming. She would have like to be wowed and would have liked them to be more unique and specific to their vision. She agrees that River Caddis is the best out of the two and that they did have her sold with their verbal presentation until she saw their drawing. She opined that it could not have been more average. She would have preferred they put their best foot forward and if this was it, it causes her pause and concern. As a whole package she is not concerned, just this stage. She would like specific language regarding a clean exit if the Township finds themselves unhappy. She thanked the Committee and Mr. O'Neil and she looks forward to it being a collaboration. She thinks the Board is fiscally responsible and knows that when there it will be worked out at the appropriate time. Moving forward she would like to see this come back to the Board very often for continued input, checks and balances, and collaboration.

Howard Kohn indicated that both parties were given very specific direction to not spend a lot of money, to simply do a quick and dirty, and throw it out on the field. When you look at the differences irrespective of the content, one was just the site and one was mixed use. In response to the comments that there were only squares and rectangles, he reminded that it is what the Township was looking for at this point. He indicated they wanted to know if they grasped the concept and that it fiscally responsible. He continued that the Township was looking to see what they thought could be done with the acreage and if it made sense to be mixed use. He shared that when you look at the concept one met that criteria and one did not.

Trustee Smith acknowledges that the Township did not want them to have extra costs to scratch the surface, but she still expected the scratch to be more impressive. She is in favor of moving forward with them.

Supervisor Kowall feels they were by far more creative and the better selection.

Clerk Noble stated this is a start of a relationship and that it needs to move forward tonight. Just as the Township must have faith in them, they must have faith in the Township.

Trustee Powell stated the Township is now in the development seat, which it has never been in before. It owns property that it is looking to develop. He shared if developing were easy, everyone would be a developer. He stated that the Township needs the experts and consultants. There are certain realities that the Board needs to understand. He has a client that has over a quarter of million dollars into a piece of property that must be approved by the community and they aren't buying it. His client is now faced with a decision of is it time to cut and lose the \$250,000. The reality as a developer is that the Township must pay consultants like River Caddis. There will be costs and he doesn't want anyone to be surprised by that. He believes this is very important and should not be entered into lightly. It is like a marriage.

Supervisor Kowall shared a quote, "marriage is a grand, divorce is a couple hundred grand".

Clerk Noble indicated that the Township must be represented by the best and that it has a responsibility to protect itself and that he won't settle for mediocre. This is a starting point and the Township can move forward cautiously. He opined that the it could be \$100,000 for just site plan work. He airs on the side of caution and believes they are picking an expert or the best team to represent the Township.

Trustee Smith thanked Gershenson as they will continue to be a good neighbor to the Township and a support system to the area. She does not want to burn any bridges with them and thanked them for their time and expertise.

Trustee Ruggles appreciates the time and effort of the Committee. He reminded of what Terry Lilley used to say, "If you're not going to listen to the committee, then what is the point of the committee at all." He will agree with what the Committee proposed and thanked them for their time.

It was MOVED by Clerk Noble, SUPPORTED by Trustee Powell to engage River Caddis in further discussion and execution of the civic center development area. The motion PASSED by roll call vote (Ruggles/yes, Smith/yes, Roman/yes, Noble/yes, Voorheis/yes, Kowall/yes, Powell/yes).

Supervisor Kowall thanked the Board for being available for tonight's special meeting. He assures the Board that they will be kept advised. He appreciates Trustee Powell for his insight. He noted that Trustee Powell has an engineering background and that he himself has a construction background. He noted that the Board does have some experience, but not all the necessary experience. He further stated that River Caddis operates on their reputation. It is more important to them to not only have a financial gain on this, but to build a relationship and rapport with the Township so that they can move on to the next community with a positive evaluation.

ADJOURNMENT

It was MOVED by Supervisor Kowall, SUPPORTED by Trustee Voorheis to adjourn. The motion PASSED by roll call vote (Voorheis/yes, Noble/yes, Roman/yes, Powell/yes, Kowall/yes, Smith/yes, Ruggles/yes).

Meeting adjourned at 6:44 p.m.

I, Anthony L. Noble, the duly elected and qualified Clerk of the Charter Township of White Lake, County of Oakland, State of Michigan, hereby certify that the foregoing is a true copy of the April 28, 2021 special board meeting minutes.

Anthony L. Noble, Clerk
White Lake Township
Oakland County, Michigan