The Marquette County Board of Commissioners met in Special Session on Thursday, August 22, 1996 at 4:00 p.m. in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.


A Salute to the Flag was given followed by the Pledge of Allegiance.

There were no minutes to approve.

Chairperson Corkin opened the meeting for public comment. James Sodergren, County Treasurer, addressed the County Board and explained that he sent a letter to the Editor regarding the Airport issue but as yet it has not been printed. He read the following and requested that it be included in these minutes:

To: The Editor

The Mining Journal editorial on August 15, 1996 accused Gerald Corkin, County Board Chairman, of poor leadership because he is making decisions on the airport based primarily on how the action impacts his district and not the entire County. The editor implies that Gerry is guilty of provincialism and they once again suggest that he relinquish his chairmanship. Finally the Mining Journal recommends that the County Board acts promptly to make potential funding deadlines in connection to moving the airport.

If anybody is guilty of provincialism it's the Mining Journal. Tax breaks and corporate welfare is promoted and placed at the top of the Mining Journals agenda. I would like to see the publisher and the editor of the Mining Journal replaced.

In connection with funding deadlines, the County Board has a responsibility to fund mandated programs. Running an airport is not a mandated program and extra costs related thereto should be approved by the electorate, the same as a fire truck or other non-mandated services.

I am surprised that the Mining Journal is demanding government to provide more services and increase taxes while our Republican Governor is promoting privatization of many services. Why not the Airport?

James F. Sodergren
Rt. 1, Box 145
Ishpeming, MI

**In addition to my letter to the editor I want to mention that not too long ago the EDC together with business leaders and education were negotiating with American Airlines to install a simulator at the County Airport. A simulator is a device to train pilots. After countless hours and many meetings American Airlines reneged at the 23rd hour. They installed the simulator in Dallas, Texas.

Dealing with the airline industry is risky. By nature it is a risky business. Using County funds to support this project is inappropriate.

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Frank Honkala, Co. Rd. 581, Ishpeming, again expressed his concerns regarding action to be taken today regarding the Airport. He commended Comm. Arsenault, Comm. Corkin, Comm. Joseph, and Comm. Rapport for the decision that they have made in the past. He encourages the rest of the Commissioners to take this same stand this afternoon. Funding for the airport is not yet available, and the risk is to great at this time to go ahead with the project. He strongly urged Commissioners to vote No.
Mike Skytta, Lake Superior Jobs Coalition, stated that earlier this summer the Jobs Coalition was asked to participate in the financial analysis of the AMR relocation. They have spent time with County staff and others identifying and clarifying the financial issues facing the County. He reassured the County Board that the Jobs Coalition will be there to help find solutions to the resources needed to complete the AMR relocation project and the relocation of the County Airport to the former K.I.Sawyer AFB. Members of the Lake Superior Jobs Coalition and others involved with economic development view this as an opportunity to be a cornerstone for advancing the use of K.I.Sawyer AFB and for creating an increase and value added opportunities of employment that are so badly needed in our area. He encouraged the Board to find ways to make this a reality and not forfeit the opportunity to gain a major employer who will attract others to our County.

Charles Prusi, Supervisor of Negawanne Township, is amazed that given the resource people the County Board has to fall back on, and the recommendations that moving the Airport is not financially feasible, that the County Board is not ready to make such a decision. He urged the County Board to consider what the end result will be if we don’t find the money.

Brian Rochon, 209 W. Nicolet, Marquette, and owner of Northern Michigan Aviation, commended Mr. Koshorek, Mr. Pawley, Mr. Kippola, and Mr. Payant, for the presentation that was provided this past Tuesday. He admonished the Mining Journal regarding the letter to the editor stating it was slanted and derogatory to those Commissioners who have the guts to make a stand. He wished the County Board luck!

Joe Pietro, Gwinn, contended that the decision being made today will have an everlasting impact on Michigan’s economic recovery, and in particular Michigan’s Upper Peninsula. He explained that his job has been, and will continue to be, development of Michigan’s Upper Peninsula. He has known American Airlines people since 1942. They are sound, honest, and are willing to develop and expand. He explained that everything in life is a risk. We will live with the consequences.

Julius Larson, 3114 Lakeshore Blvd., Marquette, stated that he is against moving the airport. He feels Marquette County has the most unpopular airport in the United States due to high fuel rates. Moving the airport to K.I.Sawyer will not be any different.

Don Potvin, 1027 Front, Marquette, commended the County Board for listening on several occasions to all who spoke regarding funding the AMR move. He emphasized that the County Board has been pressed very hard, perhaps unmercifully so, and unjustifiably so, to make this move. He urged the Board to resist the pressures put on them by the Mining Journal. He cautioned the Board in voting yes on such a risky proposition. Mr. Potvin urged the County Board to vote no!

Sam Elder, 2425 W. Grove, Marquette, stated that the most important issue regarding this issue is location. It applies to residential housing, commercial businesses, and it applies to airports. The bottom line is doing what is best for the County. Mr. Elder stated that opportunity always involves some risk. Let’s do what’s right for the County and move the Airport!

Greg Hall, Vice President of Maintenance and Engineering, AMR Eagle, was present to discuss the AMR Eagle move to K.I.Sawyer. He stated that the current business plan calls for growth. Inability to grow at the current facility would cause initial substantial loss to American Eagle Corporation. AMR chose Marquette County because of the growth opportunity and because of the labor force. Mr. Hall feels that if the Airport was already at K.I.Sawyer AFB this discussion wouldn’t be taking place. He urged the County Board to vote yes on moving the Airport.

Mike Meehan, Amateur Radio Operator, Marquette Township, spoke regarding the lake effect snow problem at the airport. The safety issue of planes landing and trying to take off in lake effect snow is a real problem. It is also a real problem for the airlines. Airlines run on schedules, lake effect snow doesn’t. Anytime there is a delay it costs the airline money. The airlines are all having budget problems. He feels consolidation and the closure of airports is the issue. The mostly likely candidate for closure in the Upper Peninsula is the Marquette Airport because of the weather issue and the geographic issue. He stated that the airport has to be moved to K.I.Sawyer.

It was moved by Comm. Braamse, seconded by Comm. Trudell, and unanimously carried by voice vote that the agenda be approved with the deletion of item 10f) a Committee of the Whole recommendation to request the EDC Board of Directors allow Jay Scherbenski, EDC Director, to be the Lead County Employee to Coordinate County Efforts to gain funding for K.I.Sawyer, which has already been acted upon.
ACTION ITEMS:

David Payant, Civil Counsel, briefly explained the memorandum which was passed out at the August 20, 1996 meeting regarding the AMR proposal for those Commissioners who were not present. In addition, he reminded Commissioners that the agreement states that the County will receive the current hangar occupied at the Marquette County Airport from AMR, which has an appraised value of $780,000. The County can dispose of that in any way they wish, in return the County will pay off the current indebtedness on that hangar of $150,000.

Civil Counsel Payant also referenced the time line. It has just been finished and sent to AMR Eagle. There may be further negotiations. The time line was designed to be as fast as possible without endangering our ability to get grant funds to finance.

Commissioners and staff engaged in a discussion regarding the Memorandum of Understanding with Simmons Airlines/American Eagle, questioning the time line and other language issues.

It was moved by Comm. Rapport to accept the Memorandum of Understanding in concept, allowing the attorneys to work out additional language concerning environmental issues, the time line, and the CDBG reimbursement. The motion was supported by Comm. Corkin for the purpose of discussion.

Comm. Seppanen stated that he has a problem with the term concept. He would like to see this issue resolved tonight, with the attorneys finalizing some of the language.

The motion failed 1 aye (Comm. Rapport) to 9 nays.

It was then moved by Comm. Seppanen, seconded by Comm. Trudell, and carried on a roll call vote 7 ayes (Comm. Angeli, Comm. Bergdahl, Comm. Braamse, Comm. Mineli, Comm. Rapport, Comm. Seppanen, and Comm. Trudell) to 3 nays (Comm. Arsenault, Comm. Joseph, and Comm. Corkin) that the County Board approve Action Items 10a), 10b), 10c), and 10d) as follows:

10a) AMR Project - Accept Memorandum of Understanding and direct Attorneys to work out language regarding Item 24 and the time line.

10b) Letter of Support for a Transportation Category A Application for Road Improvements.

10c) Committee of the Whole recommendation to approve the Notice of Intent for the Michigan Community Block Grant Program (American Eagle).

MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Applicant: Marquette County

Project: American Eagle Infrastructure Project

1. Description of Private Company

a) American Eagle, Inc., currently operates and aircraft maintenance facility at the Marquette County Airport in Negaunee Township. This operation is exceeding the capacity of the current location, and in order to continue operations and grow in the future, a new location is needed. Moving the maintenance facility to the former K.I. Sawyer Air Force Base will allow retention of the existing jobs in the area, while providing ample room for growth. Although American Eagle has ceased commercial passenger flights out of the Marquette County Airport, the company has made a commitment to keep its maintenance facility in the area.

b) American Eagle, Inc., has operated a maintenance facility at the airport for several years, and currently employs 168 people. This proposed expansion would add 70 jobs over the next 24 months.
c) At least 51 percent, or 36, of the jobs created will be available to and/or filled by low or moderate income individuals.

2. Project Activities

Development of this project requires capital improvements to buildings 608, 627, 664 and 665, and the immediate surrounding area, as shown on the enclosed map. Grant funds are proposed to be used to partially cover building renovation costs, including connection of two of the buildings, pain booth and ventilation improvements, rewiring and installation of communications equipment, fencing, and an environmental assessment of the project area. Private and other public funds will be used to cover the remaining costs of building improvements, as well as to provide tools and equipment, job training, and cover moving costs.

Total project cost is estimated at $4,029,000, with the CDBG-funded improvements and grant administration costs totaling $1.6 million. Other project costs will be met by Marquette County, the U.S. Air Force, the Economic Development Administration, and private investment.

3. Financial Statements/Proformas

Due to concerns about the confidentiality of historical and projected financial statements, these items are not attached. These documents will be available for review during a sit visit.

10d) Committee of the Whole recommendation to Designate K.I. Sawyer as the Future Home of the Marquette County Airport.

Comm. Rapport wanted to explain to constituents in her district why she voted the way she did. She feels that this has been a gut-wrenching motion and very risky. A risk that needs to be taken. She feels that AMR is making a financial commitment to our community. She hopes that AMR stays here, but if they do not, we will still have to our advantage improvements at K.I. Sawyer Air Force Base.

Comm. Seppanen stated that there is some division in the community and on the County Board. There is a risk, and in order to overcome the hurdles, the Board, Staff and the Community have to pull together. We cannot afford to have any tension.

It was moved by Comm. Seppanen, seconded by Comm. Minelli, and unanimously carried by voice vote that the County Board authorize the Board Chair to sign the agreements when the attorneys have finished.

It was moved by Comm. Bergdahl, seconded by Comm. Angeli, and carried on a voice vote that the CDBG be sent in the amount of $1.6 million.

10e) It was moved by Comm. Bergdahl, seconded by Comm. Trudell, and unanimously carried by voice vote that the County Board approve the Committee of the Whole recommendation to adopt a resolution requesting the Michigan Jobs Commission to withdraw as Co-Applicant on the EDA Grant Application for the Reuse of K.I. Sawyer.

RESOLUTION

WHEREAS, the Marquette County Board of Commissioners and the Michigan Jobs Commission desire an orderly transition which encourages local leadership in the redevelopment of K.I. Sawyer, and

WHEREAS, the Marquette County Commission recognizes the contributions the Michigan Jobs Commission has made in addressing the economic distress the K.I. Sawyer closure has had on Marquette County, and
WHEREAS, Marquette County's becoming the sole applicant on the current EDA application is consistent with the Michigan Jobs Commission's goal of restoring local control to the K.I. Sawyer reuse project. Now, therefore, be

RESOLVED, that the Marquette County Commission requests the Michigan Jobs Commission withdraw as co-applicant on the EDA application and looks forward to working with the Michigan Jobs Commission on future economic development efforts.

Proclaimed this 22nd day of August, 1996, at Marquette, Michigan.

Gerald O. Corkin, Chairperson
Marquette County Board of Commissioners

Chairperson Corkin opened the meeting for public comment. Greg Hall stated that AMR will assign someone to work with the County to help with the transition and hopes the County will do the same. There being no further public comment, Chairperson Corkin closed this portion of the meeting.

There being no further business the meeting was adjourned.

Respectfully submitted,

Connie M. Branam
Deputy County Clerk
SPECIAL MEETING
MARQUETTE COUNTY BOARD OF COMMISSIONERS
Thursday, August 22, 1996 at 4:00 p.m.
Room 231, Henry A. Skewis Annex
Marquette, Michigan 49855

1. ROLL CALL.
2. SALUTE TO THE FLAG AND PLEDGE OF ALLEGIANCE.
3. APPROVAL OF THE MINUTES: None.
4. PROCLAMATIONS, PRESENTATIONS AND AWARDS.
5. PUBLIC COMMENT. (time limit 20 minutes total)
6. APPROVAL OF THE AGENDA.
7. PUBLIC HEARINGS.
8. PRIVILEGED COMMENT:
9. INFORMATIONAL ITEMS:
10. ACTION ITEMS:
   a. AMR Project
   b. Letter of Support for a Transportation Category A Application for Road Improvements at KI Sawyer.
   c. Committee of the Whole Recommendation to Approve the Notice of Intent for the Michigan Community Block Grant Program (American Eagle).
   d. Committee of the Whole Recommendation to Designate KI Sawyer as the Future Home of the Marquette County Airport.
   e. Committee of the Whole Recommendation to Adopt a Resolution Requesting the Michigan Jobs Commission to Withdraw as Co-Aplicant on the EDA Grant Application for the Reuse of KI Sawyer.
   f. Committee of the Whole Recommendation to Request the EDC Board of Directors Allow Jay Scherbenske, EDC Director, to be the Lead County Employee to Coordinate County Efforts to Gain Funding for KI Sawyer.
11. LATE ADDITIONS:
12. PUBLIC COMMENT. (time limit 20 minutes total)
13. COMMISSIONERS COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.
14. ADJOURNMENT.