The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, March 10, 1998 at 6:00 p.m. in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.


It was moved by Comm. Arsenault, seconded by Comm. Tuominen, and unanimously carried by voice vote that the minutes of the Committee of the Whole meeting held on February 24, 1998 be approved.

Chairperson Corkin opened the meeting for public comment. Deborah Pellow, Marquette County Townships Association President, requested to speak to Agenda Item 6, House Bill 5357, Michigan Transportation Fund.

There being no further public comment, Chairperson Corkin closed this portion of the meeting.

It was moved by Comm. Tuominen, seconded by Comm. Roberts and unanimously carried by voice vote that the agenda be approved with the following late addition: Item 13) Recommendations from the KI Sawyer Economic Development Committee regarding Five Leases for Buildings at Sawyer.

It was moved by Comm. Roberts, seconded by Comm. Joseph and unanimously carried by voice vote that Claims and Accounts for the period February 20, 1998, through March 5, 1998 in the amount of $942,046.40 be approved.

County Administrator Steve Powers introduced to Commissioners Ruth Solinski, the newly hired Management Analyst. Ms. Solinski has a Bachelors Degree in Business Administration and a Masters in Public Administration specializing in finance, and has work experience with GTE and a case management company in Marquette. She started her duties for the County last Monday.

Chairperson Corkin, on behalf of the County Board, welcomed Ruth Solinski to the Marquette County Staff.

Bob Menard, Superintendent/Manager of the Marquette County Road Commission, made a presentation regarding HB 5357 to amend Public Act 51 of 1951 which is endorsed by the Michigan Townships Association. Mr. Menard contends it would be bad legislation for Michigan. He expressed his concerns at the February Michigan Association of Counties Legislative Committee Meeting however, no action was taken although there was lots of discussion. He would like the Marquette County Board to adopt the resolution opposing these bills. Eleven out of Fifteen counties in the Upper Peninsula would lose Act 51 revenues under these Bills which disrupts 47 years of negotiations by changing the distribution of dollars. What also bothers Mr. Menard is that information provided by the MTA shows one side of the picture but doesn’t show the downside.

The Marquette County Road Commission 1997 budget was $5,631,488, of which all but $140,000 was spent to create and maintain roads within the Townships. Of the 1,260 miles of County Roads they maintain all but 6.12 miles are located in the Townships. What the legislation really does is change the internal funding formula by establishing a set aside funds of 15% for local roads and primary roads without a local match. This is to allow the Townships the right to tell the Road Commission how to spend these funds in their Township, however, the Road Commission would still be responsible for snow plowing roads.
Mr. Menard is Chairman of the County Road Association of Michigan (CRAM), which will be meeting on March 20th with the MTA Legislative Committee regarding the issue. CRAM has introduced House Bill 5611 which provides for a 4% set aside that must be matched by Townships and does not disrupt any internal funding formulas.

Deborah Pellow Director, District 2, Michigan Townships Association, explained that she not only represents the Townships in the Upper Peninsula, but also the whole State of Michigan. House Bill 5357 provides three options: First: To leave the funding formula as it is; Second: Townships establishing a 3 year set aside; and Third: A Township could actually take over 100% of the maintenance of their roads.

Michigan Townships spent $60 to $70 million last year on maintaining roads. Many townships in Michigan, even though they set aside matching funds, get no assistance from their road commissions because there is no money. Other townships cannot afford to set aside funds,

Ms. Pellow noted that in Marquette County we have a good road commission with a good relationship with the townships. She suggested that the County Board wait on adopting any resolution until after the March 20, 1998 meeting between CRAM and the MTA Legislative Committee. There are some good things and bad things regarding both bills and these matters may be worked out.

Bob Menard was agreeable with waiting until the March 24th Committee of the Whole Meeting. He has been working on a spread sheet which will provide detailed financial information on how HB 5357 would affect the Marquette County Road Commission and each Township. He noted it costs approximately $100,000 per mile to properly repair a road and hoped that the Michigan Association of Counties will take a stand on the issue.

It was moved by Comm. Roberts, seconded by Comm. Tuominen and unanimously carried by voice vote that the Committee of the Whole discuss HB 5357 and HB 5611 on March 24th.

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The Committee considered the Indemnity Agreement which will provide the financial assurance necessary in an amount of $786,230 to be utilized by the Marquette County Solid Waste Management Authority to support its request for the issuance of an operating license.

Chairperson Corkin noted a letter of thanks from Richard Aho, Director, Marquette County Solid Waste Authority, to the Marquette County Board and Administrator Steve Powers for help in assisting the Solid Waste Management Authority to meet the financial test for the relicensing of the landfill. Mr. Aho is confident that the combined efforts of the County Board and the Solid Waste Authority has saved the municipalities of Marquette County much time and money.

It was moved by Comm. Tuominen, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Indemnity Agreement which provides the financial assurance necessary for the relicensing of the Marquette County Landfill.

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The Committee considered two Recreational Grant Applications: the Perkins Park Development Project - Phase II, and the Sugarloaf Mountain Trail Improvement Project. Both have been unanimously recommended by the Marquette County Planning Commission.

Steve Enright, County Planner, was present and explained that the Perkins Park Development Project- Phase II would provide for the following improvements: Construction of two restrooms/shower facilities, demolition of an existing restroom, bath house renovations, total cost estimated to be $323,634. If awarded the grant, the Michigan Trust Fund would pay 75% or $242,725 and the County would be obligated to pay the remaining 25% or $80,909.
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The Sugarloaf Mountain Trail Improvement Project Grant Application is to the Michigan Department of Environmental Quality’s Coastal Management Program which would pay 50% of the cost for the trail project which includes: Seven stairway and ramp sections on the trail (approximately 560 linear feet) must be replaced, portions of the gravel on the natural pathway also need improvement. Total projects cost is estimated to be $98,500 of which the Coastal Management Program would pay $49,000, the County’s local match would be $49,500.

Steve Powers, County Administrator, noted that the County has approximately $360,000 in the Land Acquisition Fund and the total local match required if the grants are approved would be $130,409. Staff recommendation is to adopt the resolution supporting the application and committing the matching fund, appropriate the matching funds from the Land Acquisition Fund, authorize the Administrator to sign the application, and authorize the Board Chair to sign all documents if awarded the grants.

It was moved by Comm. Seppanen, seconded by Comm. Aresnault, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the Recreation Grant Applications for: Perkins Park Development Project - Phase II, and the Sugarloaf Mountain Trail Improvements Project as presented.

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The Committee considered a recommendation from the Forestry Commission that the County attempt to acquire two parcels adjacent to the County forest. The 40 and 80 acre parcels in Forsyth Township could be converted into the same high yield plantation style jack pine production as other County forest units. Policy 427:1, Land Acquisition, provides that the Board may direct the Administrator to obtain appraisals. Upon completion of the appraisal the County Board provides parameters within which the Administrator may negotiate terms for purchase.

Comm. Angeli questioned why the County would want to purchase 120 acres and take this property off of the tax rolls?

Comm. Bergdahl explained that the Forestry Commission is trying to fill some holes in the County forestland so that when cutting takes place we have better access and no boundary disputes. The Forestry Commission is also looking at isolated parcels of property that the County owns that might be sold.

Administrator Steve Powers noted that the asking price for the two parcels total $85,500. The County’s consulting forester indicates that the pulp and timber on the two parcels is worth approximately $60,500. Revenues are generated by selling timber off of County forests and the Forestry Fund now has in excess of $500,000.

It was moved by Comm. Rapport, seconded by Comm. Roberts, and carried by voice vote 9 Ayes to 1 Nay (Comm. Angeli), that the Committee of the Whole recommend the County Board authorize the Administrator to obtain appraisals for the two parcels of land adjacent to the County forest in Forsyth Township in order to determine their fair market value.

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The Committee considered a recommendation from Administrator Steve Powers regarding the reorganization of the Resource Management Development Department. Administrator Powers noted that Ron Koshorek, who recently retired, had succeeded in developing a team within the Resource Management Development Department for facilities, building codes, and planning that worked together as a cohesive coordinated unit. The County now has an opportunity to continue that teamwork, recognize competence in qualified individuals, while reducing our cost of operation.

Rather than replacing the Resource Management Development Director, Gordon Uren, Building Official, will be assigned responsibility for project management specifically, with the AMR Hangers Project at KI Sawyer. The title for his position will be Building Official/Project Manager. Jim Kippola, Senior Planner, will be responsible for planning, community development, and forestry with the title for his position to be Planning, Community Development, and Forestry Manager. George Wright, Facility Manager, will continue to be responsible for County buildings and grounds. Cathy Smith, Administrative Aide, will provide assistance with budget, office management, and assignment of administrative staff. All these individuals are qualified and have experience to do the job.
The Rye Classification and Compensation Study has included these positions. The continuing personnel costs for Marquette County will be reduced by approximately $10,000, however, the number of full-time positions in the department will not change. A six month status report will be provided to the Board and the budget will be amended as part of the mid-year budget review process.

It was moved by Comm. Seppanen, seconded by Comm. Roberts, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the Administrator’s recommendation for the Resource Management Development Department staffing.

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County Clerk Dave Roberts noted that Marquette County is in its Sesquicentennial Year. Our County was established by our State Legislature on February 15, 1848. Commissioners Rapport, Angeli, and Roberts volunteered to serve on an Ad Hoc Sesquicentennial Committee and bring recommendations to the County Board regarding ways for Marquette County to celebrate its 150 years.

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The Committee considered the 1998 Economic Development Administration (EDA II) Grant Application for $3.1 million financial support for the conversion of the former KI Sawyer Air Force Base. The application includes a local match and FAA participation in the amount of $1,491,511. The Board found the application to be complete, including justification for the waiver of the 25% local match, the project narrative, and economic adjustment strategy.

Steve Powers also reported that Marquette County has been invited to apply for an additional $1.1 million in addition to the $3.1 million. The EDA anticipates more dollars will be available for our region. The EDA also wants the application split into two parts: First, construction - aviation projects and Second, nonconstruction - plating, surveying, planning, and marketing. Mr. Powers also reported that the EDA notified the County to begin the process of preparing an EDA III application with more information available this summer.

Hal Pawley, Airport Manager, Mark Paupore, EDC, and Bill Malinowski, URS Greiner, were present to answer questions as the Committee reviewed the Grant Application. It was noted that on Exhibit 10, under Performance Measure, Figure 2, some of the line items will now be changing because of the EDC’s invitation for the additional $1.1 million.

Regarding questions on general aviation, Administrator Powers suggested that the Board ask Staff to prepare a policy for general aviation within the next 60 days for inclusion in the EDA III Grant or the MAP III Grant. The MAP II Grant will be coming next week.

Comm. Arsenault, KISED C Chair, noted that general aviation can land at Sawyer Airport now. There is sufficient hanger space to accommodate both commercial and general aviation.

Hal Pawley, Airport Manager, noted that approximately 30 individuals currently have hanger space at the Marquette County Airport. Two of the hangers are private with separate leases and one of the hangers is County owned. There is more hanger space available at Sawyer than is presently available at the County Airport.

The Committee thanked Mark Paupore of the EDC for the complete and fine work done on the grant application.

It was moved by Comm. Roberts, seconded by Comm. Rapport and carried by voice vote 9 Ayes to 1 Nay (Comm. Cihak) that the Committee of the Whole recommend that the County Board apply for an EDA Grant Application in the amount of $4,250,000 for aviation improvements and plating and surveying at KI Sawyer, and marketing for all of Marquette County.

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The Committee considered a request from Hamlin, Inc. for a sublease for Building 822 at Sawyer. Comm. Arsenault, Chairperson of the KISED, explained that their request was unanimously approved by the KISED Board. Hamlin has requested a sublease for Building 822 for which they have the right of first refusal as a part of their sublease for Building 823. Hamlin is required to create a minimum of 40 jobs for the first year, and maintain a minimum of 45 jobs for the remaining four years of their lease, however, Hamlin has created 51 jobs and they are proposing to create and additional 37 jobs in the next six to eight months. In addition, they have invested a considerable amount of money into their building and plan to move their hydrogen storage tanks to the area north of the current building and east of Building 822.

Harley Andrews, Civil Counsel, explained that Building 822 was not included with the Prime Lease for Building 823 so the County will need to request a Prime Lease from the Air Force. The KISED finds that Hamlin’s request for a sublease for Building 822 to support and further develop its manufacturing is an appropriate land use and directed the KI Sawyer Development Staff to apply for the Prime Lease. The Marquette County Board is requested to executed a Prime Lease and Sublease when they are available.

It was moved by Comm. Arsenault, seconded by Comm. Rapport, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the request from Hamlin, Inc. for a sublease to Building 822 at KI Sawyer.

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The Committee considered a request from Northern Michigan University - U.P. Law Enforcement for lease on Buildings 731 and 732 at Sawyer. Comm. Arsenault, Chairperson of the KISED, noted that the NMU Public Safety Institute Sublease for Building 731 expired on May 14, 1997. The Prime Lease renews automatically for four years. Also, a sublease for Building 732 was sent to NMU but apparently never executed due to the change in the LRC, the Michigan Jobs Commission to Marquette County. The County proposed an interim license between NMU and AFBCA to allow NMU to access the building before the County took control.

The NMU Public Safety Institute currently has three full-time and one part-time employee and they need the lease on Building 731 renewed and the lease for 732 to replace the Letter of Understanding.

It was moved by Comm. Arsenault, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of Northern Michigan University - U.P. Law Enforcement’s request for Building 731 and 732.

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The Committee considered a request from the Sawyer Service Center for a lease on Building 826 at Sawyer. Paul Arsenault, Chairperson, KISED, explained that the Sawyer Service Center is an auto repair and convenience store. They do no body work and currently have two full-time employees. Additional help may be employed in the future. The initial lease will begin at $1.50 per square foot and increase over a four year period of $2.15 per square foot, with a final purchase price of the building at $67,000. This project has been underway for over a year and anticipated date of occupancy is immediate, however, operations will not occur until the sublease is signed.

It was moved by Comm. Arsenault, seconded by Comm. Tuominen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the proposed Sublease for the Sawyer Service Center for Building 826 at KI Sawyer.

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The Committee considered a request from Glacier State Distribution Services, Inc. for a one-year storage lease for Building 518 at Sawyer. This is a building that will eventually be utilized by the Bahrmann Project, however, he has no problem with Glacier State utilizing the building for one year. Proposed use of the building is to unload railroad cars from the nearby rail spur and store materials in the building for later delivery.

Comm. Paul Arsenault, Chairperson, KISED, noted that the one-year storage lease should be approved contingent on legal review requiring Glacier State Distribution to provide the necessary liability insurance to cover potential pollutants. The Company agrees to abide by all applicable State regulations and has complied with similar regulations in other states in which they operate.
It was moved by Comm. Arsenault, seconded by Comm. Roberts, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the one-year storage sublease with Glacier State Distribution Services, Inc. for building 518 at KI Sawyer.

The Committee considered a Superior Extrusions, Inc. proposal to lease Building 740 at KI Sawyer. Harley Andrews, Civil Counsel, explained that SEI agrees to move to Building 740 and never executed the sublease for Building 661. Building 661 is a hangar with direct access to the airfield and the FAA indicates that they would prefer to see an aviation use for this building. Building 740 is away from the aviation. It is slightly larger than building 661 however, the County and SEI have agreed to the same terms and same amount of money for Building 740. The additional square footage for the same price takes into account that the KISDD made the request for SEI to move. There is inconvenience for SEI for relocating their project to a different building. In addition, there is a potential lease of two rather than one building because of SEI’s agreement to move. Marquette County will continue to have EDA funds available for improvements to Building 661.

Chairperson Corkin noted that the SEI Project has received a $662,000 CDBG Grant for which SEI is paying the $75,000 local match. SEI will create 65 jobs and reports that their financing is in place and their equipment has been purchased. This is an excellent project and SEI has invested approximately $1.4 million.

It was moved by Comm. Rapport, seconded by Comm. Roberts, and carried by voice vote 9 Ayes to 0 Nays, and 1 Abstention (Comm. Arsenault), that the Committee of the Whole recommend the County Board approve of the Superior Extrusion, Inc. proposal to lease Building 740 at KI Sawyer.

Comm. Arsenault requested that the Red Fox Properties Resort Lease be placed on the next County Board Meeting Agenda so that it can be approved in concept. He noted that this lease over five years will generate approximately $1.4 million in revenue for the County and provide 220 to 250 jobs. Mr. Pesola and all the principals involved in the Red Fox Properties Resort were at the KISED meeting last night and the KISED has no problem with the lease coming directly to the County Board.

Their project was approved four years ago by the Base Conversion Agency and the principals have stuck with the project even though the State did not complete the conveyance.

Chairperson Corkin noted that these jobs are related to recreation and it is an excellent project. The Red Fox Properties, Inc. have allowed the Bowling Alley to go to PICO and they are working with the County to develop KI Sawyer.

Chairperson Corkin opened the meeting for public comment.

Art Ogness, Ishpeming, was present and gave a brief personal background. He is a graduate of Ishpeming High School in 1937 and received a degree from the University of Michigan in 1943 in Aeronautical Engineering. He has worked all of his life in the aviation and aircraft industry, was at one time a manager of an advanced design group supervising 70 employees, however, in 1992 he retired and returned to spend the summers in Ishpeming.

Mr. Ogness last summer discovered a new exciting aspect in aviation, the experimental aircraft business, and after spending a year of research selected the present Marquette County Airport for the production of experimental aircraft kits. The reasons he chose Marquette County are: A local fixed base operator recognized the merit of the project, the grounds at the Airport are very large, Northern Michigan University in Marquette has an excellent aviation mechanical training course, and the University of Michigan, the finest school of aviation in the Country, is within reasonable traveling distance. Mr. Ogness contended that if the County Board wants to support the experimental aircraft production kit business then the present County Airport must stay open. He would be pleased to work with the County on the project if they desire.
Patty Stevens, 1350 N. Vandenboom, Marquette, commented on Comm. Joseph’s concerns with the Red Fox Properties proposal for a 25 year lease. KI Sawyer Development, Inc. wants a lease with purchase and she is available to discuss options with the County Board.

Ms. Stevens also noted regarding the County’s consideration to purchase vacant parcels in Forsyth Township that she has much experience as a realtor, and suggested the County should have an agent for the buyer. She would be willing to take on that capacity. Any sales commission could be paid by either party therefore, it would cost the County nothing. She would be happy to facilitate the County’s purchase if the Board desires.

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

Comm. Cihak noted that at the February 24th Committee of the Whole meeting a proposal to take a County survey was tabled. There was no specific length of time for the matter to be tabled as required under the Roberts Rules of Order.

It was moved by Comm. Roberts, seconded by Comm. Rapport that the communication previously tabled proposing the County conduct a poll on moving the Airport be brought back to the floor and then be placed on file.

The Commissioners engaged in a discussion regarding the pros and cons of conducting a poll.

Chairperson Corkin called for a vote on the motion to place the communication on file. Motion passed 7 Ayes to 3 Nays (Comm. Cihak, Joseph, and Tuominen).

Comm. Arsenault noted that there are 695 people working at KI Sawyer and 375 families living at Sawyer. Lease revenues in place will now generate $2 million plus per year. Comm. Arsenault will work hard to make KI Sawyer redevelopment a success and is proud to be a part of it.

Comm. Rapport noted she is also pleased with the KI Sawyer development and appreciate Superior Extrusion, Inc. accommodating the Sawyer development by moving to Building 740.

There being no further business, the meeting was adjourned at 8:00 p.m.

Respectfully Submitted,

[Signature]

David J. Roberts
Marquette County Clerk
MARQUETTE COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE
Tuesday, March 10, 1998, 6:00 P.M.
Room 231, Henry A. Skewis Annex, Marquette, MI 49855

1. ROLL CALL.
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of Claims and Accounts.
8. Two Recreational Grant Applications - Perkins Park.
9. Acquisition of Land Adjacent to County Forest in Forsyth Township.
11. Marquette County Sesquicentennial (no packet materials).
12. 1998 Economic Development Administration Grant Application.

13. \[\text{Recommendations from E.D. Committee}\]

14.

15.

16. PUBLIC COMMENT.
17. COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS.
18. ADJOURNMENT.