The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, November 9, 1999, 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. Joseph, and unanimously carried by voice vote that the minutes of the Committee of the Whole meeting held on October 26, 1999 be approved.

Chairperson Corkin opened the meeting for public comment.

James Sodergren, Marquette County Treasurer, requested that the Sawyer Renaissance Zone issue be discussed at the Committee of the Whole so that it can be heard by the public before the special meeting.

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

It was moved by Comm. Seppanen, seconded by Comm. Curto and unanimously carried by voice vote that the agenda be approved with the following late addition: Item 13) U.P. Engineering & Architect Sawyer Planning and Design Contract, 14) Letter of Support for Marquette Township to the Michigan DEQ for their Downtown Development, 15) MERS Benefit Resolution for County Airport Management Employees, and 16) Sawyer Renaissance Zone.

It was moved by Comm. Seppanen, seconded by Comm. Curto and unanimously carried by voice vote that Claims and Accounts for the period October 22, 1999, through November 4, 1999 in the amount of $1,459,380.10 be approved.

Chairperson Corkin read the following proclamation declaring November 7-13, 1999 as "Winter Safety Week" in Marquette County:

"Winter Safety Week"

Proclamation

WHEREAS, each year in Marquette County, lives and property are endangered and residents and visitors suffer extreme hardships due to severe winter storms; and

WHEREAS, severe winter weather can cause death and injury through over exertion from snow removal, traffic accidents, frostbite, hypothermia, and isolation due to heavy snowfall; and

WHEREAS, the probability of residential fires is greatly increased during the winter season due to improper use and installation of alternative heating sources or poorly maintained chimneys; and

WHEREAS, the citizens of our community need to be aware of the danger of winter weather conditions and the measures that can be taken to better prepare for such hazards; and

WHEREAS, Marquette County Emergency Management officials, the National Weather Service, local community safety organizations, and area news media are cooperating to inform our residents about winter related hazards and how to prepare for them; and

WHEREAS, by taking reasonable precautions, our residents and visitors can lessen the hardships caused by severe weather conditions and more fully enjoy the winter season;

THEREFORE, I, Gerald O. Corkin, hereby declare November 7th through November 13th, 1999 as "Winter Safety Week" in Marquette County. All residents are urged to take this opportunity to learn more about winter safety measures, and to better prepare their families for the winter season. Furthermore, residents and travelers are asked to cooperate with our local emergency services officials when severe winter weather conditions threaten the community.

Adopted this 9th day of November, 1999

Gerald O. Corkin, Chairperson
Marquette County Board of Commissioners
The Committee considered a resolution for the opt out provision under Public Act 123 of 1999 which made significant changes to the State’s tax reversion process. James Sodergren, County Treasurer, was present and explained that he has attended several meetings regarding the new tax reversion process and has yet to find a reason for Marquette County to opt in. The Upper Peninsula and Marquette County in particular has hundreds of abandoned mine shafts and caving grounds which would be a tremendous liability should they revert to the control and ownership of the County. Treasurer Sodergren recommends the County Board adopt the necessary resolution for opting out to which he will provide written concurrence as required by the law.

Steve Powers, County Administrator, has reviewed materials provided by Attorney John Axe, Marquette County Bond Counsel, which indicates opting out will have no financial impact on Marquette County. He concurs with the Treasurer’s recommendation.

Chairperson Corkin noted that Gary Yoder, Finance Manager, Treasurer Sodergren, and himself, while attending meetings on the tax reversion process, have asked representatives of the Michigan Department of Treasury why Marquette County would want to opt in? No answer has been provided. Should there ever be a reason to opt in, the law provides that the issue can be revisited in five years. To be fair to Michigan’s Legislature, Chairperson Corkin further noted that PA 123 does provide significant improvements to the tax reversion process which includes: shortening the tax reversion process from six years to three years; strengthening notification and due process requirements for property owners; insuring marketable title to tax reverted property; eliminates tax lien sales; and most importantly increases fees and interest that counties can impose on tax reverted property so the process will be self-financing.

It was moved by Comm. Tuominen, seconded by Comm. Roberts, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board adopt the appropriate resolution electing to have the State of Michigan foreclose property forfeited to the County (opt out).

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The Committee considered a Michigan State Housing Development Authority (MSHDA) Neighborhood Preservation Program Grant Application for a targeted neighborhood in the City of Ishpeming.

Steve Powers, County Administrator, noted that earlier this year Staff informed the County Board that it was submitting a Notice of Intent (NOI) to apply for grant funds under the Neighborhood Preservation Program (NPP) for a targeted neighborhood in the City of Ishpeming. The Notice of Intent has now been accepted and the County has been invited to apply for $500,000 in grant funding. If the grant is awarded the program will be administered within the Community Development Program of the Resource Management/Development Department. No County matching funds are required.

Jim Kippola, was present and noted that this is a new program which provides for a unique blend of cooperation between the State of Michigan, the County of Marquette, and a local unit, in this case the City of Ishpeming.

John Korhonen, Ishpeming City Manager, further explained that this will be an enhancement to the City. The targeted neighborhood has had no new homes built since 1939 but is still a functional neighborhood which needs some upgrading and cleanup. This grant will be helpful to revitalize this area. He appreciates Marquette County’s assistance and cooperation.

It was moved by Comm. Joseph, seconded by Comm. Tuominen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the submittal of the grant application by adopting the appropriate resolution for $500,000 in funding under the Michigan State Housing Development Authority’s Neighborhood Preservation Program.

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The Committee considered a Snow Removal Contract for the County Courthouse Complex parking areas. Steve Powers, County Administrator, explained that in response to an advertisement two bids were received: Associated Constructors - $18,500 and Bob’s Snow Removal - $16,800. Bob’s Snow Removal meets the insurance specifications. Associated Constructors made exceptions to the insurance language included in the bid specifications.

Administrator Powers further explained that Bob’s Snow Removal was the contractor for the City of Marquette Municipal Parking Lots. George Wright, Facilities Manager, checked references and was informed the City was pleased with the timeliness and quality of Bob’s Snow Removal’s work. A total of eight parking lots/areas are included in the contract. Also, in return for the use of the parking lot the County plows the St. Peter’s Cathedral parking lot. For the past two years, snow removal was done on an hourly basis, however this contract is recommended as a lump sum. Staff recommends the bid award go to Bob’s Snow Removal. Risk Management and Civil Counsel have reviewed and approved the Contract.
BOARD OF COMMISSIONERS  COUNTY OF MARQUETTE  NOVEMBER 9, 1999

It was moved by Comm. Rapport, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board award the County Courthouse Complex Snow Removal Contract to Bob’s Snow Removal for $16,800.

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The Committee considered a Lease Agreement with JCP Trust for storage of emergency medical supplies vehicle.  
Steve Powers, County Administrator, noted the authorized lease agreement is for $8,004 ($667 monthly) for one year with a renewal option.  With the sale of the County Airport to O’Dovoro Development space for the emergency medical services vehicle is needed.  The current location in Negusee Township at the former County Airport is preferred by the County Sheriff and the Emergency Services Manager because of its access to US 41 and M-35.  According to the County Equalization Director, the recommended lease rate is at the lower end of the range, $2.50 per sq. ft. for heated industrial/garage space.

Administrator Powers further noted that this building will also serve as the storage facility for the County Clerk records.  The airport’s emergency crash/rescue vehicles have moved to the Sawyer International Airport leaving available space for County Clerk records with only minor renovation.

It was moved by Comm. Tuominen, seconded by Comm. Joseph, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the lease agreement with JCP Trust for the storage of the emergency medical services vehicle at the former County Airport in Negusee Township.

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The Committee considered a Cost of Services Study and A-87 Central Services Cost Allocation Plan.  Following a Request for Proposals, including an advertisement in a newspaper and direct request to local and national certified public accountants and management consultants, three responses were received from: DMG Maximus, Revenue and Cost Specialists, and Liske & Brusich.

All three bids were responsive to the Request for Proposals.  A recommendation to award the contract to DMG Maximus is based on understanding of requested work, cost, experience, timeline, and familiarity with Marquette County and Michigan.  Gary Yoder, Finance Manager, rated DMG Maximus highest.  DMG Maximus proposes to complete the A-87 Plans for $11,000 for each year ($22,000 total) and the Cost of Services Study for $19,500.  The quote includes all expenses.

Funds are budgeted in 1999 and 2000 for the Cost of Services Study and Cost Allocation Plans.  The Cost Allocation Plan is required for the County to receive and annual $150,000 in State and Federal reimbursement.

It was moved by Comm. Rapport, seconded by Comm. Roberts, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board award the Contract to DMG Maximus for Cost of Services Study and 1998/1999 A-87 Central Services Cost Allocation Plans.

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The Committee considered an Agreement with Jones Lange LaSalle for marketing the Hamlin Building at KI Sawyer.  Comm. Arsenault, Chairperson of the KI Sawyer Economic Development Committee, noted the KISEDCA is recommending that the contract for marketing the Hamlin Building with JLL be approved.  JLL will receive a broker’s lease commission up front of 8% based upon the first year’s gross rent and 3% on the remaining lease year’s rent, beginning of each year.

Comm. Rapport noted that this is a very valuable building with nearly $1 million of renovations done to it.  This is a good marketing test and an excellent opportunity for JLL and Marquette County.

Tom Rumora, KI Sawyer Development Department Director, further noted that there is a 180 day exclusion for one particular prospect which may be interested in the Hamlin Building.  If that client decides to lease the Hamlin Building no payment will be made to JLL.  Mr. Rumora also noted that JLL has an hourly billing rate for extras such as their opinion on specifics regarding the building for potential clients, but these will not be numerous.

Harley Andrews, Civil Counsel, noted what is before Commissioners is not the final draft of the agreement.  There will be changes including an exhibit which will clearly define commission services as compared to hourly billing for extras.

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 Exclusive Right to Represent Agreement with Jones Lange LaSalle for the Hamlin Building at Sawyer.
The Committee considered an agreement with UP Engineers & Architects for Sawyer Planning and Design. Tom Rumora, Director, KISDD, explained that under discussion for several years, and previously approved by the KISEDCC, was to pursue and annual contract with a planning and design firm for preliminary investigations of issues such as building use, landscaping, architectural modifications, marketing, covenants, codes, recreation areas, and a variety of related topics. Essentially the firm selected would be expected to respond quickly and in many cases informally. The Staff recommendation to award all planning and design work which occurred within the annual contract period to one firm was modified by KISEDCC to separate preliminary and preparatory work from formal and final design work.

A request for qualifications for KI Sawyer Development planning and design services was recently let out and six firms responded. The recommendation is to hire UP Engineers & Architects who were the firm hired to do the preliminary work. Mr. Rumora noted that when preliminary work leads to a larger contract, all interested parties are given the same information and bid specifications. If any information was held back it would create a problem, but UP Engineers and Architects have been professional in this matter.

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 an Agreement with UP Engineers & Architects for KI Sawyer Development planning and design services, funds to pay for the work under the contract will come from the KI Sawyer Lease/Sale revenue and State appropriation accounts.

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The Committee considered a request from Marquette Township and the Marquette Township Downtown Development Authority for County Board support for a Michigan DEQ Wetland Permit. Marquette Township and its DDA have taken on the project of developing an area to serve as its downtown and to try to mitigate the development on the US 41 corridor through the Township. The DDA has developed new roadways and utilities in the area north of the Westwood Mall and they are now attempting to connect these roadways with a major street that would connect with US 41 at the current Warner Street intersection. They are currently waiting on a Michigan DEQ Wetland Permit to continue the roadway and have requested a County Board letter be sent on or before November 30, 1999 to help the project move forward.

Comm. Arsenault noted there have been concerns about some drainage problems Max Muelle, the Marquette Township Supervisor, has assured him that Marquette Township will follow all rules under the Michigan DEQ Permit.

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 send a letter to the Michigan DEQ supporting the Marquette Township and the Marquette Township Downtown Development Authority project provided that they meet all DEQ Permit criteria.

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The Committee considered a recommendation to consolidate MERS benefits for Airport and County management employees. Steve Powers, County Administrator, noted that on July 13, 1999 the County of Marquette and Marquette County Airport Board agreed to transfer the active members of the non-union full-time employees of the Airport to the non-union Marquette County group. Subsequently MERS determined that the Airport’s governing body affirmatively acted on the transfer and the County Board of Commissioners must now act to assume the assets and liabilities of the Airport group through the appropriate resolution. The funds are available in the 1999 and 2000 Sawyer International Airport budget for this benefit.

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 resolution to transfer all MERS assets and liabilities for active employees of the Marquette County Airport (Division 10) to Marquette County (Division 11).

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Chairperson Corkin declared a recess at 6:54 P.M. so Commissioners could review materials distributed regarding the Sawyer Renaissance Zone.

RECESS
The Committee came back into open session at 7:00 P.M.

The Committee considered the possibility of expanding the Sawyer Renaissance Zone Application. Steve Powers, County Administrator, reported that a meeting was held at the Sands Township Fire Hall and attended by Comm. Bergdahl, Tuominen, and Corkin, Representatives of the Governor's Staff, Administrative Staff, and Supervisor Yelle. Sands Township had previously approved and included the entire Township within the former Air Base but Sands Township will consider a smaller Renaissance Zone Application as follows: Total acreage of the recommended Zone is 993 acres with 2.5 million square feet of building space. Excluded from the recommended Zone are greenfield areas west of the runway, housing, and areas where development should be prevented because of FAA or land use restrictions. The tax revenue generated for the County in 1999 for the buildings within the Renaissance Zone amount to $26,032 with an estimated tax assessment value of $3 million plus. A Renaissance Zone will provide for no property taxes in the first 12 years. The annual lease revenue currently in the proposed zone is $537,000, however projections are as much as $650,000. The Federal Aviation Administration, the Air Force, and the U.S. Department of Commerce (EDA), have no restrictions on funding programs if the County creates a Renaissance Zone. Senator Levin and Congressman Stupak were also informed of the possible zone's dimensions.

Administrator Powers further noted that the lease rates with current tenants should be renegotiated and also the County should assist Sands Township with the assessing and collecting of taxes in the small housing area that is not included within the Renaissance Zone. Attracting one large employer to a difficult to reuse 100 sq. ft. building would more than offset any foregone County revenue. The Renaissance Zone is an important tool to attract perspective employers.

Comm. Joseph questioned if the County would be taking over the responsibility of services that Sands Township is presently providing.

Administrator Powers pointed out that the only change in services is the County providing reimbursement to Sands Township for extraordinary tax collection expenses. The County would be responsible for continuing to provide services already provided by the County. The Townships will continue to be responsible for Township services. The County could choose to provide funding for services from the K.I. Sawyer Development fund. Sands Township bills the County for fire calls to Sawyer International Airport. The County has chosen to participate in other federal and state community development programs. A Renaissance Zone is an economic development program and will increase the value of the buildings and infrastructure. Revenue will be generated to operate the airport without general fund support and to repay loans and advances from the Delinquent Tax Fund.

Chairperson Corkin noted we must look at the Renaissance Zone in respect of how it affects Marquette County. Looking at the dollar figure, he is comfortable with the lease potential generating the necessary revenues. The County's only legal requirement will be the Airport. The Renaissance Zone recommendation to him makes sense plus Sands Township wants it.

Comm. Seppanen, concurred. The redevelopment at Sawyer has been a team effort between our federal government, state government, and local government. We must work together. He felt this to be a good compromise.

Comm. Rapport noted that the tax loss of $26,000 is only for the year 2000 and questioned the tax loss in the future. The development so far at Sawyer is way ahead of JBF's projections. She appreciates that fact that establishing a Renaissance Zone will not affect other funding sources such as the EDA, Caretaker Funding, or the FAA, however the Renaissance Zone seems to have become an "all or nothing" issue. The Zone is now larger than previously anticipated even though Sands Township has reduced its initial proposal. She believes it to be an issue of fairness. The present tenants at Sawyer have reasonable agreements and it is now difficult to support abatement of their taxes. Major employers need good infrastructure, good quality of life, good employees, and a Renaissance Zone tax abatement is only a small part of the total picture. Comm. Rapport cannot support abatement of our tax rolls.

Gerard Markey, Equalization Director, noted that it will be difficult to project tax revenues in five or 10 years at Sawyer but undoubtedly they would be higher when occupied than when unoccupied. Lease revenue has no correlation to assessment. Sawyer is not a depressed area but is suppressed. He believed that lease revenues will generate enough dollars to cover the portion of taxes that Marquette County will lose.

Jim Sodergren, County Treasurer, disagreed with the Administrator's recommendation to apply for the Renaissance Zone at Sawyer. For 30 years, as an elected official, he has taken a stand to protect and guard the tax roll for Marquette County. He knows that the present republican administration of Michigan has worked very hard to get commercial enterprise and businesses off the tax roll under the guise of creating jobs. The Lake Superior Community Partnership now promotes the same concept of no taxes for certain entities. Treasurer Sodergren asked the Commissioners to vote no on the Renaissance Zone.
Karen Anderson, Business Manager for Gwinn Area Community Schools, distributed 11 letters from present tenants at KI Sawyer indicating their support of the Renaissance Zone. The tenants are also willing to renegotiate an increase in their lease rate and purchase price to help offset any adverse financial impact to the County of Marquette.

Tom Rumora, KISDD Director, also noted there is an area east of the runway in Sands Township which is not included in the Renaissance Zone, but should be. Sands Township would like it included. The area consists of no buildings with a former landfill and ordinance explosive area. He believes it would be unfortunate that if the area had to be fenced off with signs saying stay out. If it was included in the Renaissance Zone perhaps that area could be redeveloped and some day provide for parking or a road to other development.

Mike Gokey, Governor’s Upper Peninsula Office, noted that the only immunity to tenants within a Renaissance Zone is from taxes. Tenants must meet local zoning requirements. A tenant’s association could be created to provide for restrictive covenants and/or a lobbying voice. He agreed that tenants should not be allowed to let their properties become run down and neglected. Mr. Gokey also noted that in the future the Renaissance Zone could be expanded to include Sawyer Lumber which is located in Forsyth Township.

Several Commissioners spoke in support of the Renaissance Zone Application. Chairperson Corkin noted that this is not a partisan issue but a matter of common sense and simple arithmetic. The lease revenue will generate more than enough dollars over and above the tax revenue that is lost. Marquette County needs family sustaining jobs. There is 2-1/2 million sq. ft. of building space available. If it was all leased at even $1.50 per sq. ft. it would generate $3.75 million.

It was moved by Comm. Bergdahl, seconded by Comm. Seppanen, and carried on a voice vote 8 Ayes to 1 Nay (Comm. Rapport), 1 Absent and Excused (Comm. Wallace), that the Committee of the Whole recommend the County Board approve a Sawyer Renaissance Zone Application for 993 acres and 2.5 million sq. ft. of building space as shown on the map, and in addition, include in the Renaissance Zone property which includes the former landfill and the ordinance explosive area at Sawyer.

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The Committee considered an Agreement with Sands Township for the collection of property taxes on 40 housing units at KI Sawyer which are not included in the Sawyer Renaissance Zone Application.

Harley Andrews, Civil Counsel, pointed out that in order for the County to take over an obligation of Sands Township, such as tax collection, it must be done by the appropriate contract. In exchange Sands Township would agree to not include the housing units in the Renaissance Zone.

It was moved by Comm. Tuominen, seconded by Comm. Bergdahl, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve an agreement (the appropriate contract drafted by Civil Counsel) to reimburse Sands Township for extraordinary expenses related to the collection of property taxes on the current housing units at the former KI Sawyer Air Force Base located in the SE-1/4 of the SE-1/4 of Sec. 36, T46N-R25W for the duration of the Sawyer Renaissance Zone, with said expenses to be paid out of the Sawyer Development Fund; and further that the assessments on the housing units will be mutually agreed upon between the Sands Township Assessor and the County Equalization Director.

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Chairperson Corkin opened the meeting for public comment.

James Sodergren, County Treasurer, suggested that the County should be moving forward to establish a village at Sawyer. County government is not intended to run a community.

Brian Swift, Director of Site Consultant Services for the Michigan EDC, thanked the County Board for its approval of the Sawyer Renaissance Zone and commended them for looking into the future. Mr. Swift noted that businesses today want quality of life, a good workforce, close proximity to quality training, and incentives. Michigan has lead the nation in the past two years on the number of new business development sites. Michigan is looking to "threetepat". This is not a political issue. State governments and cities all over the United States are providing incentives for businesses to locate in their communities. We are in a very competitive market. Once again thank you.

There being no further business, the meeting was adjourned at 8:15 P.M.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk
MARQUETTE COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE
Tuesday, November 9, 1999, 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. MSHDA Neighborhood Preservation Program Grant Application.
10. Rescue Safety Lease Agreement at Sawyer.
11. Proposal for Cost of Services Study.
12. Agreement with Jones Lang LaSalle for Marketing Hamlin Building at Sawyer.
13. Support Letter for New Deq
14. Support Letter for New Deq
15. Agreement with Jones Lang LaSalle for Marketing Hamlin Building at Sawyer.
17. PUBLIC COMMENT.
18. COMMISSIONER COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.
19. ADJOURNMENT.