The Marquette County Board of Commissioners met in Special Session on Tuesday, February 29, 2000, 6:00 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.

Chairperson Corkin opened the meeting for public comment.
Lance Beck, 200 E. Ridge Street, Marquette, on behalf of American Communications Network, expressed his pleasure with the progress and quality of work on Building 643. He thanked the County Board and KI Sawyer Development Department for its support of the project, and specifically commended Ed Bailey for his work.

ACN is committed to opening its operations by May 1st and because of this ACN wants to be involved more directly in the project and work with local contractors. Mr. Beck noted it has been an excellent decision by ACN to locate its call center in Marquette County.

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

It was moved by Comm. Arsenault, seconded by Comm. Tuominen and unanimously carried by voice vote that the agenda be approved with the following changes: Delete Action Item 10c; Add two late additions, 11a) American Communications Network Lease Negotiations Update, and 11b) Allow American Communications Network to make improvements to Building 643 and Act as General Contractor.

**ACTION ITEMS**

10a) It was moved by Comm. Roberts, seconded by Comm. Joseph and unanimously carried by voice vote that Claims and Accounts for the period February 18, 2000 through February 24, 2000 in the amount of $863,164.84 be approved.

10b) The County Board considered a Personal Property Tax Revenues Resolution. Gerard Markey, Equalization Director, was present and explained that after reviewing several resolutions he first recommended that the County Board adopt a resolution patterned after the Tuscola County Resolution which takes no sides on the special utility multipliers proposed by the State Tax Commission. Upon further review and discussions with the State Tax Commission, Mr. Markey now recommends that the County Board adopt a resolution patterned after the Oceana County Resolution which challenges the State Tax Commission multipliers and identifies that there is a serious problem using the multipliers.

Chairperson Corkin read the Oceana County Resolution.

It was moved by Comm. Tuominen, seconded by Comm. Roberts and unanimously carried by voice vote that the Marquette County Board of Commissioners adopt a similar resolution in opposition to the special tax break for utilities, resolution as follows:

**MARQUETTE COUNTY**
**BOARD OF COMMISSIONERS**
**RESOLUTION OF OPPOSITION TO SPECIAL TAX BREAK FOR UTILITIES**

WHEREAS, the State Tax Commission is charged with the property administration of the laws governing assessments and the levyng of taxes in this state; and

WHEREAS, Article 9, Sec. 3 of the Michigan Constitution mandates that the legislature provide for the uniform general ad valorem taxation of tangible personal property, provide for the determination of the true cash value of such personal property and provide the proportion of true cash value at which such property shall be uniformly assessed; and

WHEREAS, by administrative fiat, the State Tax Commission has adopted special composite multiplier that must be used in calculating the ad valorem tax assessment of gas and electrical utility transmission and distribution systems throughout the State of Michigan; and

WHEREAS, in violation of constitutional equal protection and uniformity in taxation requirements, the adopted multipliers greatly undervalue the taxable property of utility companies; and

WHEREAS, the special utility multipliers effectively grant Michigan utilities millions of tax breaks that are unavailable to other Michigan citizens or businesses; and
WHEREAS, the special utility tax breaks reduce by over one hundred million dollars the local revenues necessary to support essential services provided by schools, community colleges, parks, public safety and other units of local government; and

WHEREAS, the special utility tax breaks unfairly shift significant tax burdens from utilities to other Michigan businesses and citizens, forcing either increases in local taxes and/or severe reductions in educational, recreational, public safety or other local governmental services; and

WHEREAS, it is estimated that application of the special utility multipliers will cost the cities, villages, townships and school districts of Marquette County over $546,000 dollars; and

WHEREAS, Court intervention is necessary to stop the ill-advised and unconstitutional special utility tax break;

NOW, THEREFORE, BE IT RESOLVED: That the County of Marquette hereby endorses and supports the legal challenge to the State Tax Commission’s action; and

BE IT FURTHER RESOLVED, a copy of this resolution be sent to the Michigan Association of Counties, the Governor, and our Upper Peninsula Legislators.

Adopted this 29th day of February, 2000
Gerald O. Corkin, Chairperson
Marquette County Board of Commissioners

**LATE ADDITIONS**

11a) The County Board considered American Communications Network lease negotiations update from Steve Powers, County Administrator. He distributed a summary comparing the December, 1999 County Board approved parameters to American Communication Network’s lease proposal with the latest proposal discussions.

Mr. Powers noted that the estimated cost for improvements to Building 643 has increased to $1,237,000 from the December estimate of $912,000. The Michigan EDC is providing a $200,000 loan towards the difference. The loan will be repaid within five years through a higher lease rate ($4.63 per sq. ft.) and the remaining $1,037,000 can be funded by:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat Conversion</td>
<td>$385,000</td>
</tr>
<tr>
<td>Sawyer Revolving Loan</td>
<td>$200,000</td>
</tr>
<tr>
<td>Development Fund</td>
<td>$452,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,037,000</strong></td>
</tr>
</tbody>
</table>

At the end of the first five year lease, the revolving loan fund will be repaid and the development fund will be repaid $245,000. ACN is investing $2 million in the project for furnishing, equipment, and connecting the facility.

Administrator Powers further noted that Civil Counsel Harley Andrews, Tom Rumora, KI Sawyer Development Department, and Vicki Kulu, Lake Superior Community Partnership, will continue to be the County’s negotiating team. He requested should Commissioners believe Staff has exceeded policy limitations please let them know or otherwise provide concurrence with the negotiating parameters.

Chairperson Corkin contended the new parameters are doable. This is a good project which will provide 167 jobs in the first 20 months and 750 jobs in five years. He is confident that ACN will become a major employer in Marquette County and extend their lease beyond the five years.

Vicki Kulu, Tom Rumora, and Ed Bailey were present to discuss the lease negotiation parameters and answer Commissioner questions.

It was moved by Comm. Bergdahl, seconded by Comm. Roberts, and unanimously carried by voice vote that the County Board concur with the lease negotiation parameters for improvements to Sawyer Building 643 as presented.

11b) The County Board considered an Administrator’s recommendation to allow ACN to make improvements to Sawyer Building 643 and act as General Contractor; and also to waive County purchasing and prevailing wage policies.

Steve Powers, County Administrator, explained that this action will not change the impact on the County budget for the project, in fact the change in management reinforces the fact that ACN is responsible for cost overruns. Administrator Powers distributed a memo from Francis N. Soave on behalf of ACN, indicating ACN now wants to take more control of the project. Several times in the past the County has offered to ACN the opportunity to assume responsibility for the Building 643 Project. The advantages to the County of ACN taking over the project include: 1) ACN controls the project process and schedule. Failure to meet the May 1 occupancy date would be ACN’s responsibility. 2) County liability is limited. 3) County investment in the project will be limited to the amount approved by the Board ($1,237,000) to meet project
specifications. Ed Bailey, County Project Manager, and ACN have reviewed the specifications and ACN will be responsible for overruns.

Ed Bailey, KI Sawyer Operations Manager, and Tom Rumora, KI Sawyer Development Department Director, were present to discuss the proposal and answer questions.

During discussion Commissioners questioned relinquishing control over the project even though taxpayer dollars are involved, and could the County’s purchasing and prevailing wage policies be waived.

Steve Powers, County Administrator, further explained that the County has two ways to continue to control the project, First the County has architectural control through U.P. Engineers and Architects, and second, Ed Bailey is the project manager for the County and will be working with ACN and the Contractors. The letter from Mr. Soave clearly indicates ACN intends to use area contractors and have area contractors pay the prevailing wage. The main reason for waiving the County’s Purchasing and Prevailing Wage Policy is to expedite the project.

Ed Bailey, KI Sawyer Operations Manager, further explained that 90% of the plans and specifications for the project are complete. U.P. Architects and Engineers have done the architectural plans, and Sundberg & Carlson Associates have completed the electrical and mechanical plans. The County has had significant input on the project and the local contractors are on board supporting the project and want to push forward. Mr. Bailey also has had a good work relationship with Dowler Ronnisch Co., ACN’s construction firm. They are very cost conscious and will work with local contractors.

Gary Walker, Civil Counsel, explained what is before the Board this evening is an agreement to reach an agreement. The County has no authority to waive the State prevailing wage policies. Comm. Arsenault also noted that in his experience, the paying of prevailing wages was the responsibility of the subcontractors.

Chairperson Corkin pointed out that the County of Marquette is making every effort to work towards the completion of this project. All of those involved including ACN, KI Sawyer Staff, local contractors, and the County Board are working together on behalf of the County. We are not trying to sneak anything through. Should anybody have concerns or objections now is the time to speak, we want them to be addressed.

It was moved by Comm. Arsenault, seconded by Comm. Bergdahl and unanimously carried by voice vote that the County Board concur with the Administrator’s recommendation to allow American Communication Network to act as general contractor for Sawyer Building 643 improvements and waive the County’s Purchasing and Prevailing Wage Policies; and further that the Letter of Understanding agreeing that the County remove itself from managing the construction project be forwarded to ACN for their approval.

Chairperson Corkin opened the meeting for public comment. None was forthcoming.

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

Steve Powers, County Administrator, thanked the County Board for allowing these late additions to be considered.

Chairperson Corkin noted that himself along with Comm. Tuominen and Arsenault attended a meeting with CCI representatives. Cleveland-Cliffs has gone through some very difficult times in the last year, however, they still are a very important part of the economy of Marquette County.

Chairperson Corkin also noted that himself and Administrator Powers met with the Medical Care Facility Director and its Board of Directors regarding their expansion proposal. The proposal will be brought back to the March 14th Committee of the Whole Meeting for review.

There being no further business, the meeting was adjourned at 7:22 P.M.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk
MARQUETTE COUNTY BOARD OF COMMISSIONERS
Special Meeting, Tuesday, February 29, 2000, 6:00 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:
   a. 
   b. 
   c. 
10. ACTION ITEMS:
    a. Review of Claims and Accounts.
    b. Personal Property Tax Revenues Resolution
    c. Electrical Bid Award for Sawyer Building 643 (materials forthcoming).
11. LATE ADDITIONS:
    a. 
    b. Allow ACW to make improvements to bldg 643
    c. 
12. PUBLIC COMMENT. (time limit 20 minutes total)
13. COMMISSIONERS COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.
14. ADJOURNMENT.