The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, December 11, 2001, 6:00 P.M., in Room 231 of the Henry A. Skewis Annex, 234 W. Baraga Avenue, 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 November 28, 2001 be approved.

Chairperson Corkin opened the meeting for public comment. Jim Cihak, 3156 Lakeshore Blvd., Marquette announced that he has applied for the Marquette County Airport Zoning Board of Appeals. He is a private pilot, desires to have a strong County Airport and believes the mission of the Zoning Board of Appeals is to maintain a safe airport. Mr. Cihak noted his references include two Marquette County Judges and a Marquette City Commissioner.

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

It was moved by Comm. Nordeen, seconded by Comm. Moore, and unanimously carried by voice vote that the agenda be approved with the following addition: Item 15) Update on Engineering Machine Products.

It was moved by Comm. Seppanen, seconded by Comm. Moore, and unanimously carried by voice vote that Claims and Accounts for the period November 30th through December 6th, 2001 in the amount of $678,839.57 be approved.

Ed Sloan, Deputy Director of Pathways Substance Abuse Services, was present and explained that the Eastern Upper Peninsula Substance Abuse Advisory Board has been attempting to merge itself with Pathways during the past year. While attempting to closeout the EUPSAS Board of Directors it was discovered that one federal grant amounting to $100,000 a year is a 4-year grant and requires the continuation of the EUPSAS Board to administer. This grant is from the U.S. Department of Justice and provides for substance abuse prevention services for both Marquette and Delta Counties. He requested the County Board reappoint the same three members for 2002 who have been serving as County representatives to EUPSAS.

Mr. Sloan further noted, not to confuse the issue, these same three individuals have applied for nomination by the County Board to the Pathways Substance Abuse Advisory Board. The process calls for the County Board to nominate and Pathways will make the final appointment in January. He recommended the County Board nominate all three applicants to the Pathways Substance Abuse Advisory Board for Pathways consideration in January.

It was moved by Comm. Seppanen, seconded by Comm. Tuominen, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board appoint the same three incumbent applicants to the Eastern U.P. Substance Abuse Advisory Board for 2002 and also nominate these three applicants to the newly formed Pathway Substance Abuse Advisory Board for appointment in January

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The Committee considered a memo from the Marquette County Resource Management/Development Staff and the Marquette County Planning Commission regarding changes in the Michigan State Housing and Development (MSHDA) 2002 Housing Resource Fund Guidelines. Dotty Lewis from Resource/Development Staff was present and noted that the new House Resource Fund Guidelines will exclude many of the communities in Marquette County from MSHDA's community development programs. MSHDA's Office of Community Development will seek to invest 95% of its funds available for projects in "community settings." MSHDA defines a "community setting" as a housing served by public water and sewer, or a neighborhood with inviting walkable connections to public services such as shopping, schools, parks, etc. Neighborhood Preservations Projects must be in communities with populations of 3,000 or more.
According to the U.S. Census 2000 populations statistics, only 13 locations in the entire Upper Peninsula would meet the new MSHDA requirements and 3 of the 13 communities are in Marquette County. The Marquette County Planning Commissions believes MSHDA is placing too much emphasis on expected results from their investment and as a result, populous communities are targeted for MSHDA programs where the probability of measurable outcome/results are greater within a two year grant cycle. If MSHDA continues to be driven by expected results many existing communities in rural portions will not receive housing assistance.

It was moved by Comm. Tuominen, seconded by Comm. Arsenault, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board support the Marquette County Planning Commission and sign a letter to the MSHDA Office of Community Development in Lansing, Michigan expressing Marquette County concerns regarding the new guidelines for housing resource funds and urge that MSHDA recognize and establish priorities for rural communities throughout the State of Michigan.

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The Committee considered an Agreement with Great Lakes Recovery Centers for the purchase of Community Corrections Services. Steve Powers, County Administrator, explained this is an annual agreement in the amount of $47,085 for a Probation Residential Services Contract with Great Lakes Recovery. The Contract has received legal and administrative review and is recommended for County Board approval.

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 an Agreement with Great Lakes Recovery Centers for the purchase of Community Corrections Services.

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The Committee considered a memo from Al Feldhauser, Senior Planner, regarding the Wisconsin Central Ltd. rail abandonment. Al Feldhauser was present and noted an informational item appeared on the December 4th County Board of Commissioners Agenda describing one segment of a trail corridor the Michigan DNR is trying to establish. This corridor would run from Negaunee Township near “Eagle Mills” through Marquette all the way to Munising. Some segments of this corridor have been secured while the particular section addressed in this informational item is still being negotiated. This portion of the trail extends from the overpass above the US 41 bypass on the western end of the City of Marquette through Marquette Township and ends in eastern Negaunee Township.

Mr. Feldhauser noted that the Michigan DNR supports multiuse trails. The Marquette County Planning Commission has reviewed this segment as part of a larger abandonment and supports preservation of the corridor for the “Rails to Trails” conversion.

It was moved by Comm. Seppanen, seconded by Comm. Nordeen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board send a letter in support of “Rails to Trails.”

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The Committee considered a memo from the Michigan Family Independence Agency regarding federal incentives, FY 2000 funding, and FY 2000 budget cuts. Steve Powers, County Administrator, has reviewed the financial implications for Marquette County and estimated a reduction in federal incentives of $28,000 for 2002.

It was moved by Comm. Tuominen, seconded by Comm. Joseph, and unanimously carried by voice vote to place the communication on file.

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The Committee considered a bid award for an Asbestos Removal Contract with Certified Abatement Services. Hal Pawley, SIABC Director, was present and explained that Marquette County advertised for bids to remove asbestos from Sawyer Building 727 and portions of Sawyer Building 725 (80,000 sq. ft.). Both buildings are unoccupied. Total project costs submitted by all bidders exceeds the available funding. As specified in bid documents, if bids exceed the project budget, the scope of work will be negotiated with the successful low bidder. Certified Abatement Services was the low bidder in the amount of $459,922 and the negotiated Scope of Work is now $243,547.

Mr. Pawley further noted the EDA is funding $197,527 and the County’s share is budgeted through the Sawyer Development Fund.

The negotiated Scope of Work will complete the necessary asbestos removal needed for the buildings to be occupied. Also, part of the original bid included some work that is being done under a separate heat conversion project. Tri-Media Consultants are preparing the contract documents.
It was moved by Comm. Arsenault, seconded by Comm. Tuominen, and carried by voice vote 7 Ayes to 1 Nay (Comm. Joseph), that the Committee of the Whole recommend the County Board award an Asbestos Removal Contract to Certified Abatement Services in the amount of $243,547 for Sawyer Building 727 and portions of Sawyer Building 725 (the EDA is funding $197,527 with the County’s share budgeted in the Sawyer Development Fund).

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The Committee considered a Heat Conversion Contract with Pro-Therm, Inc. for Sawyer Buildings 426, 725, 727, 663, and 667. Hal Pawley, SIABC Director, was present and noted the County advertised for bids to convert these heating systems and the low bidder was Pro-Therm at $224,700. The Economic Development Administration is funding $116,700 with the County’s share budgeted in the Sawyer Development Fund. The low bid is within budget and under the Engineer’s estimate.

It was moved by Comm. Moore, seconded by Comm. Arsenault, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Heat Conversion Contract with Pro-Therm, Inc. in the amount of $224,700 to convert the heating systems in Sawyer Buildings 426, 725, 727, 663, and 667.

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The Committee considered a Lease Agreement for Sawyer Building 721 with the Lake Superior Community Partnership/Economic Development Corporation. Vikki Kulju, SIABC Marketing Director, was present to discuss the Lease Agreement and answer questions. The Marquette County EDC would be leasing this building on behalf of a startup company doing research in a highly technical field. This company would like to remain confidential at this time. The initial job creation would be five people and the risk of failure is significant, however if successful the company would grow rapidly and begin manufacturing a product within the next three to five years which would require significantly more space and employees. The risk to Marquette County is minimal. Building 741 has been vacant for over two years and is owned by Marquette County. The County is making no additional improvements to this property and the lease rate is being structured to provide a rental stream ramp-up to allow the company to devote appropriate resources for research and development.

Ms. Kulju noted the initial lease term will be for 10 years, with the first 5 year lease rate will start at $1.50 per sq. ft. and increase to $5.50 per sq. ft. Thereafter rates will increase 5% per year, by year 10 the lease rate will be approximately $7 per sq. ft. At any time during the initial lease term, if the subtenant defaults or vacates the property, the tenant shall have the option to terminate the lease by giving 30-days notice. A security deposit of $3,794.55 will be received and occupancy is tentatively scheduled for March, 2002.

It was moved by Comm. Arsenault, seconded by Comm. Moore, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve a Lease Agreement for Sawyer Building 741 with the Lake Superior Community Partnership/Economic Development Corporation as to the terms recommended by Staff.

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Vikki Kulju, SIABC Marketing Director, spoke on a concept “Big Business Center: Creating a New Economy with Yesterday’s Buildings.” The proposal calls for entering into a marketing agreement with Ernst & Young not to exceed a cost of $75,000 to conduct a nationwide RFP for companies to utilize the former Sawyer Hospital and the former Sawyer Sage building. The requests would seek to identify companies interested in building a business in one of these properties rent free. The only restriction is that the company must immediately create 400 or more jobs and retain these jobs for a 5-year period. After the 5-year period, if the company has met its job requirements, Marquette County would turn over the deed to them for the property.

Ms. Kulju noted that in 1995 the estimated demolition cost for the Sage building was $2.1 million and the demolition cost for the hospital was $2.2 million. Their business plan cannot support demolishing these properties. Neither building meets Michigan Barrier Free Codes. The best use for the hospital would be to completely gut it and start from scratch. The Sage Building has various unknown issues with backup generators, telecommunication, etc. To renovate this building the estimated cost would be approximately $1.2 million. In October, 2002 Marquette County will be responsible for heating the Sage Building estimated to cost $70,000 annually. If this building is not heated rapid deterioration will take place drastically damaging the facility diminishing any value for future utilization.
The hospital has recently had a severe mold problem which the Air Force remediated this past summer. The cost to eliminate the mold was approximately $100,000, however in the future the County would have to pay for any mold remediation.

These buildings could help start-up companies and well established companies starting a new division to open in an untested market, relocating, or expanding. Industries needing telecommunications, redundancy, and security will be targeted. Ernst & Young is one of the world’s leading professional service firms in real estate development, business consulting, and tax accounting. Ernst & Young is the best company to assist Marquette County with the preparation of an RFP. They have substantial experience (82,000 professionals) and a substantial network (660 locations) and an excellent reputation. Ms. Kulju noted these buildings have been unoccupied now for six years and if we wait any longer they will continue to be a financial drain to maintain, they are too costly to demolish, and too costly to renovate.

Commissioners expressed concern about utilizing a major portion of the Sawyer marketing budget for the “Big Business Center” concept. Commissioners were not necessarily against the proposal, however felt immediate action is not necessary and would like several weeks to review the matter and consider other possible options.

It was moved by Comm. Arsenault, seconded by Comm. Moore, and unanimously carried by voice vote to place the “Big Business Center” proposal on the first Committee of the Whole meeting in January, 2002.

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Mike Gokey, EDC Director, was present to explain that Engineering Machine Products will not be going forward with its project at Sawyer at this time. Engineering Machine Products won’t proceed without all its investors and not all of the partners are willing to support this project. Their decision is not related in any way to Marquette County’s efforts. They may still be interested in the future.

Chairperson Corkin opened the meeting for public comment, none was forthcoming.

**COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS**

Chairperson Corkin attended the Michigan Association of Counties Board of Director’s meeting in Lansing last Friday. Senate Bill 516 which would provide steel makers a $1 per ton single business tax credit on Michigan iron ore pellets purchased has legislative support and may help the Michigan steel and mining industry.

Comm. Tuominen distributed maps of the state, federal, and county trunk lines that are plowed by the Marquette County Road Commission. He noted there are three tiers of trunk lines with tier one receiving top priority in a major storm. All overtime efforts are directed to tier one roads.

Tier two roads are to be kept clear of snow and ice without overtime. Tier three roads are to be kept passable enough for people to get through without overtime.

This three tiered system is based upon traffic flow studies done by the Michigan Department of Transportation.

Comm. Tuominen also noted the next time there is a major storm in Marquette County the Road Commission will start plowing at 5:00 a.m. During the last storm they started at 7:00 a.m. and received many complaints.

There being no further business, the meeting was adjourned at 7:00 P.M.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk

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MARQUETTE COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE
Tuesday, December 11, 2001, 6:00 P.M.
Room 231, Henry A. Skenes Annex, Marquette, MI 49855

1. ROLL CALL.
2. APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE
   MEETING HELD ON NOVEMBER 28, 2001.
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of Claims and Accounts.
6. Ed Sloan, Deputy Director of Pathways Substance Abuse Services, regarding
   Appointments (no packet materials).
9. Wisconsin Central Ltd. – Abandonment Exemption.
10. Memo from Michigan Family Independence Agency regarding Federal Incentives and
    FY 2002 Funding.
13. Lease Agreement with EDC for Building 741 at Sawyer.
14. Big Business Incubator, Sawyer.
16.
17.
18. PUBLIC COMMENT.
19. COMMISSIONER COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.
20. ADJOURNMENT.