

Minutes are Subject to Correction and Approval

The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, May 26, 2009, at 6:00 P.M., in Room 231 of the Henry A. Skewis Annex, 234 W. Baraga Avenue, Marquette, Michigan.

Chairperson Corkin called the meeting to order. Present: Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Struck, Comm. Wallace and Chairperson Corkin. Absent and Excused: None.

It was moved by Comm. Wallace, seconded by Comm. Struck, and unanimously carried by a voice vote that the minutes of the Committee of the Whole Meeting held on May 12, 2009 be approved.

It was moved by Comm. Pellow, seconded by Comm. Wallace, and unanimously carried by voice vote that the Agenda be approved with the addition of Item 5a) Black River Falls Fire Update; and Item 11) Resolution of Support regarding Camp Manistique.

Chairperson Corkin opened the meeting for public comment. John Sonderegger, CFO, Pioneer Surgical, requested time to speak to the Frontier Medical agenda items 8), 9), and 10). There being no further public comment, Chairperson Corkin closed this portion of the meeting.

It was moved by Comm. Arsenault, seconded by Comm. Struck, and unanimously carried by voice vote that Claims and Accounts for the Period May 15, 2009 through May 21, 2009 in the amount of \$174,841.22, and Bi-Weekly Payroll for the Period ending May 16, 2009 in the amount of \$616,480.51 be approved.

Teresa Schalbach, Emergency Management Coordinator, updated Commissioners regarding the Black River Falls Fire. Ms. Schalbach explained that the fire was reported on May 21, 2009. Thirty-three structures were burned, twenty-two of which, were occupied dwellings. Five hundred people were evacuated and a State of Emergency was declared. There was no injury or loss of life. Not all resources were exhausted. Many Township Fire Departments, the D.N.R., the Red Cross, Pigs in Heat, Sheriff's Department and many others joined the efforts of the Black River Falls Fire.

Commissioners commended all those associated with the fire. The Emergency Preparedness Plan was put into effect and it worked. Everyone did an outstanding job, it was an extraordinary event, the temporary bridge over 581 proved to be essential, and kudos went out to all those involved.

Ms. Schalbach and Mr. Van Oosterhout explained that the fire was caused by a downed power line. No resident was responsible for this fire. A citizen was not the cause.

Steve Powers, County Administrator, explained that there are many, many people and organizations to recognize. There were also many County employees involved.

It was moved by Comm. Cihak, seconded by Comm. Pellow, and unanimously carried by voice vote that all individuals and organizations be recognized on behalf of the County Board for their effort in the Black River Falls Fire.

The Committee considered Comprehensive Plan Chapter Updates. Thyra Karlstrom and Eric Anderson, Resource Management and Development Staff, explained that recently, three chapters of the Marquette County Comprehensive Plan have been updated and adopted by the Marquette County Planning Commission. The final

Minutes are Subject to Correction and Approval

step in the adoption process is to forward a copy of the adopted chapters to the County Board of Commissioners as well as to local units government within and contiguous to the County.

The three chapters that were adopted are: 1) Goals and Policies; 2) Land Use, Value, and Ownership; and 3) Government Services and Coordination.

Ms. Karlstrom and Mr. Anderson presented an overview of the changes to the Comprehensive Plan. Discussion followed.

It was moved by Comm. Joseph, seconded by Comm. Heikkila, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board adopt the Comprehensive Plan Chapter Updates.

* * * * *

The Committee considered a Jail Laundry Machine Bid Recommendation. Larry Gould, Facilities Manager, explained that part of Jail Bed Expansion Project is replacement of the laundry washing machine. Bids were advertised on the internet, Mining Journal, and direct mail to commercial vendors. Four sealed bids were received.

The low bid does not meet the specifications for the required warranty and the commercial duty level for jail use. The lowest bidder that does meet the specifications is Herb Fitzgerald Company. They have also provided additional assurances for their machine. Mr. Gould recommends the bid be awarded to Herb Fitzgerald Company for the Jail Laundry Machine.

It was moved by Comm. Heikkila, seconded by Comm. Cihak, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board award the Jail Laundry Machine Bid to Herb Fitzgerald Company for a total bid price of \$11,500.00.

* * * * *

The Committee considered Frontier Medical Machinery and Equipment CDBG Notice of Intent. Scott Erbisch, Sawyer Operations Manager, explained that present and former employees from Pioneer Surgical are starting a new company called Frontier Medical to produce medical devices. Frontier has an interest in leasing space in Marquette County Building 725, contingent upon approval of a Community Development Block Grant (CDBG) for machinery and equipment and a renaissance zone extension.

Mr. Erbisch has prepared a CDBG Notice of Intent seeking \$390,000.00 for machinery and equipment. Frontier Medical proposes to spend \$1.3 million on machinery and equipment over the first 24 months. The Michigan Economic Development Corporation allows for a potential grant up to 30% of the total machinery and equipment expenditure.

A machinery and equipment grant does not require a 10% match since the funding amount is based on a total investment of \$1.3 million for machinery and equipment. If the grant request is approved, the funds will be released based on job creation and the purchase of equipment by Frontier Medical. Frontier Medical projects that it will create 48 jobs over the next 24 months.

Although the funds are released based on job creation and after machinery and equipment has been purchased, there is still a chance that Marquette County could be responsible for repayment of the grant dollars should there be an issue at the end of the first 24 months. Mr. Erbisch stated that with any grant agreement, Marquette County and the recipient of the grant funds, Frontier Medical, could be responsible for repayment if the jobs creation has not been met.

Minutes are Subject to Correction and Approval

Matthew N. Songer, MD, Owner of Pioneer Surgical, and John Sonderegger, CFO of Pioneer Surgical, were present. Dr. Songer gave a brief explanation regarding the plans of the new company. Discussion followed.

Commissioners commended Dr. Songer and Mr. Sonderegger for the potential job creation at Sawyer.

It was moved by Comm. Wallace, seconded by Comm. Cihak, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board support the CDBG Grant Request for Frontier Medical Machinery and Equipment in the amount of \$390,000.00, and authorize staff to submit the Notice of Intent.

* * * * *

The Committee considered a Frontier Medical Renaissance Zone Extension Request and Resolution. Amy Clickner, CEO, Lake Superior Community Partnership, requested action tonight so that the materials can be in the State's hands by May 28, 2009 for the June MSF Board. Ms. Clickner explained that the Lake Superior Partnership, Telkite Inc., and the County of Marquette have been working together to secure Frontier Medical as the newest business to locate at K.I. Sawyer. Our community has a long standing relationship with Frontier Medical's primary customer, Pioneer Surgical.

The business model for this project is ideal for Marquette County and the State of Michigan. The project involves light manufacturing in the medical device sector. Frontier Medical will diversify our economy and add family sustaining jobs to our community. The project will eventually employ 59 people with an investment projected at approximately \$2,400,000.

The Lake Superior Community Partnership is asking Commissioners to approve the Renaissance Zone Extension for the Frontier Medical Project. This extension would begin in 2010 and end in 2024. Per the State of Michigan, tax abated during this time is estimated at \$16,593. for MBT and \$20,712. for Property taxes. Approval was obtained from Forsyth Township on May 13, 2009. A signed resolution was obtained from Forsyth Township on May 14, 2009.

In addition, the Lake Superior Community Partnership is requesting that the resolution be adopted tonight, and if approved, to be mailed on May 27, 2009. They are also requesting a signature by the Board Chair on the Renaissance Zone extension application. The State will follow up with the development agreement once they receive the information.

It was moved by Comm. Bergdahl, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board approve the Frontier Medical Renaissance Zone Extension Request and Adoption of the Resolution.

* * * * *

The Committee considered a Lease Agreement with Frontier Medical. The Lease Agreement is for 20,000 sf in Building 725.

Project Overview:

The recommended lease terms are:

Size: 20,000 sf

Minutes are Subject to Correction and Approval

Rate: \$2.00 psf nnn per annum for years 1-5
\$2.50 psf nnn per annum in year 6
In Year 7, and annually thereafter, the rent shall be escalated 5% annually.

Term: 10 years with five consecutive 5-year renewals

Lease Commencement

Date: The Lease shall commence upon Substantial Completion of the Building Improvements as will be further defined in a final lease agreement.

Security Deposit: \$1192.33

Building Improvements: The building is provided as-is, where-is. No building improvements, structural improvements, utility upgrades, construction a walkway, etc. will be provided.

Incentives: Tenant's decision to move forward with a lease agreement is contingent upon the approval of significant incentives, including but not limited to, the extension of the Michigan Renaissance Zone and a Community Development Block Grant currently being reviewed by the Michigan Economic Development Corporation.

This lease is subject to the Telkite Marketing Agreement.

Discussion followed. Vickie Kulju, Executive Director, Telkite, was present to answer questions.

She provided a brief explanation regarding the lease terms.

It was moved by Comm. Heikkila, seconded by Comm. Struck, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board enter into a Lease Agreement with Frontier Medical for 20,000 psf in Building 725, and authorize the Board Chair to execute the lease pending approval of various incentives currently under review by the Michigan Economic Development Corporation and other granting /funding agencies.

* * * * *

The Committee considered a Resolution in Support of Camp Manistique. The Schoolcraft County Board of Commissioners requests support in their pursuit to revitalize the former Camp Manistique Prison Facility. Due to budget cuts at the State level Camp Manistique was closed in 2007. At that time Governor Granholm made a commitment to work with local officials to explore the opportunity for Schoolcraft County to obtain the facility for public use, specifically as a County Jail. The current County Jail Facility is in significant disrepair.

Senator Prusi and Representative Lindberg have been actively working with Schoolcraft County to garner state support for this project. The Schoolcraft County Board of Commissioners would appreciate support to help further the efforts of converting Camp Manistique into a county and regional jail facility.

It was moved by Comm. Pellow, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board submit a letter of support to Schoolcraft County in support of their pursuit to revitalize the former Camp Manistique Prison Facility.

* * * * *

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

Minutes are Subject to Correction and Approval

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

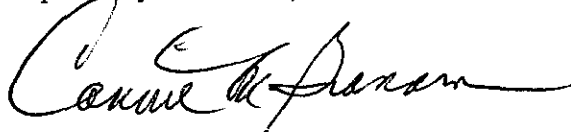
Chairperson Corkin on behalf of the County Board, thanked all those involved who helped to bring Frontier Medical to Marquette County.

Steve Powers, County Administrator, recognized Chairperson Corkin and Comm. Pellow for their presence at the Black River Falls Fire.

Comm. Joseph requested an update on Mangum Farm and the Crime Lab Relocation to Humboldt.

There being no further business to come before the Committee of the Whole, the meeting adjourned at approximately 7:20 P.M.

Respectfully Submitted,



Connie M. Branam
County Clerk