

**SUPERIOR TRADE ZONE  
REGULAR MEETING  
September 24, 2015**

A meeting of the Superior Trade Zone was held on Thursday, September 24, 2015, at 12:00 p.m. (noon) at the Rock Lion's Club, 14454 M35, Rock, MI 49880.

**PRESENT:** City of Escanaba City Manager Jim O'Toole, Marquette County Administrator Scott Erbsich, Bark River Township Supervisor Gregg Johnson, City of Gladstone City Manager Darla Falcon, Maple Ridge Township Supervisor Judy Trudell, City of Escanaba City Assessor Daina Norden, Delta County Commissioner Patrick Johnson, Ford River Township Gary Boudreau, Forsyth Township Supervisor Joe Minelli, Garden Township Supervisor Ray Young, and Ishpeming Township Supervisor James Nankervis.

**ALSO PRESENT:** City of Escanaba Executive Assistant Buffy Smith, Delta County Administrator Ryan Bergman, previous Richmond Township Supervisor William Leutzow, Delta County Economic Development Director Vicki Schwab, City of Marquette CFO Gary Simpson, and Negaunee Township Supervisor Bill Carlson.

**ABSENT:** Chocolay Township Supervisor Gary Walker, City of Marquette Commissioner Sarah Reynolds, Ely Township Supervisor Ted Pepin, Nahma Township Supervisor Warren Groleau, Richmond Township Supervisor Scott Mills, and Wells Township Supervisor Robert Therrian.

Meeting called to order at 12:00 p.m. by City of Escanaba City Manager Jim O'Toole. Ford River Township Gary Boudreau recommended all participants to stand for the Pledge of Allegiance.

**ROLL CALL**

Executive Assistant Buffy Smith conducted the roll call.

**APPROVAL/CORRECTION TO PREVIOUS MONTH'S MEETING MINUTES**

None.

**APPROVAL/ADJUSTMENTS TO THE AGENDA**

**A motion was made by Marquette County Administrator Scott Erbsich, seconded by Ishpeming Township Supervisor James Nankervis to add agenda item number six (6) to discuss new memberships/expansion. Ayes were unanimous.**

**CONFLICT OF INTEREST DECLARATIONS**

None.

**UNFINISHED BUSINESS**

None.

**PUBLIC HEARING**

None.

## NEW BUSINESS

1. Next Michigan Development Act – Superior Trade Zone Next Michigan Development Corporation. Discussion topics include, but not be limited to, the purpose of the authority, general powers of the corporation, specific powers of the corporation and limitations, corporation Board, executive committee, fees, finances, rules of procedures, subcommittees, Freedom of Information Act, marketing and program education on PA 376 of 1996, the Renaissance Zones Act, PA 281 of 1986, the Local Development Financing Act, PA 328 of 1998, the New Personal Property Tax Exemption Act, and PA 198 of 1974, the Industrial Facilities Tax Exemption Act.

Jim O'Toole stated that the core mission as a regional economic Trade Zone will be to talk about some of the programs that can be offered.

Jim O'Toole stated he would like a representative from the Michigan Economic Development Corporation to talk to the Board about their perspective of Trade Zones and what they can offer. This can be looked into further once the changes balance out with the recent lay-offs at the MEDC.

Jim O'Toole talked to the Board on about experience with IFT's. Daina Norden commented that IFT's have been around for a long time. There are two (2) versions (1) real property for the building and (2) personal property for equipment that a business is going to purchase. A PA 328 IFT makes the equipment that a company is going to buy completely exempt so they will not have to pay taxes on this piece of equipment. The building IFT's are usually expansions. Expansions can get a large reduction on their building addition for up to twelve (12) years. The Renaissance Zones are very helpful in getting different businesses in so they don't have to pay the property taxes. OPRA exemptions are more for commercial businesses that want to do an expansion. It gives them a tax break on anything new. They still pay taxes on the building as usual. But the additions/expansions only require them to pay the State Education tax, the eighteen (18) mills of school operating, and a debt millage. Brownfields pertain to obsolete buildings or buildings considered a safety hazard. The Brownfield program allows money that is spent on a building to be torn down or to fix it up to be reimbursed to the developer through the taxes they pay on a new building. They still pay taxes on the new building but they will receive a refund.

Jim O'Toole questioned Scott Erbisch if Marquette County has a Brownfield Authority. Mr. Erbisch stated they do and so does the City of Marquette. Mr. O'Toole stated the City of Escanaba and Delta County have one also.

Jim O'Toole stated that the steering committee has been in discussion with a group of Trade Zones similar to this group downstate. He stated that as an Authority new ideas can be introduced. The steering committee has been questioning how many IFT's are allowed within the Superior Trade Zone. Limitation may be restricted to six (6). The Township that a project is located in has final veto power of any incentive that may be offered.

Jim O'Toole then explained how a usual economic development call comes into the City of Escanaba. He said that an initial call will likely come in to the City Manager or the Director of the EDA. Depending upon whom the call comes into, the Manager or the EDA will immediately coordinate with each other in gathering data and information. All parties involved want to act quickly to secure the business. Each jurisdiction will work to get new business into the region.

Jim O'Toole stated expenses are being kept at a minimum. Scott Erbisch stated that \$10,000 was put into a fund annually for the next three (3) years by the City of Escanaba, Delta County, the City of Marquette, and Marquette County for a total of \$40,000. Jim O'Toole stated he also submitted a 2% Hannahville grant for \$25,000 for additional funds.

Jim O'Toole stated brochures need to be designed, a website created, and all marketing concepts looked in to. The MEDC has a marketing grant for \$25,000, which Scott Erbisch has been working on. Mr. O'Toole stated that including the Superior Trade Zone with the website information on highway markers as people enter the region is great for creating awareness.

Jim O'Toole, previous Marquette City Manager William Vajda, and Scott Erbisch met with MDOT. MDOT would like to use the body of the Superior Trade Zone as a central information Board.

2. Temporary Selection of Officers. The Superior Trade Zone Board will select a temporary Chair, Vice-Chair, and Secretary from its membership. The selectees shall take office immediately following their selection and shall hold office until December 31, 2015. A discussion on Board powers and responsibilities will also take place in accordance with Article VI, Corporation Board, Section 6.04 Corporation Powers and Responsibilities of the Interlocal Agreement.

Jim O'Toole asked for volunteers for Chair, Vice-Chair, and Secretary from now until December 31<sup>st</sup>.

Scott Erbisch nominated himself for the position of Chair. Ayes were unanimous.

Mr. O'Toole recommended Daina Norden for the position of Vice Chair. Ayes were unanimous.

Patrick Johnson volunteered for the position of Secretary. Ayes were unanimous.

3. Board By-Laws. A DRAFT Bylaw document was distributed. The bylaws, once completed and adopted will contain the provisions relating to the ways the Board conducts business, duties, and responsibilities.

Jim O'Toole asked all Board members to review the By-Laws and provide feedback with any changes. Scott Erbisch stated the group needs to look at the specifics, with attorney perspective if needed, and provide input.

4. Fiduciary Duty/Books and Reports/Finances/Initial Annual Fees. In accordance with the Interlocal Agreement, the Board is under a fiduciary duty to conduct the activities and affairs of the Corporation in the best interest of the Corporation. Discussion includes place on the initial annual fees, books and report and finances.

Scott Erbisch stated dollars will be needed for fees incurred. Marquette County will initially start by being the fiscal agent on behalf of the group monitoring invoices and payments. Mr. O'Toole will also be providing support for the organization by providing the agenda and back up information. The City of Escanaba will keep the master file on record for now.

Ryan Bergman nominated Marquette County for the fiduciary responsibilities.

**A motion was made by Vice Chair Daina Norden, seconded by Board Member Darla Falcon, to approve Marquette County fiduciary responsibilities. Ayes were unanimous.**

Scott Erbisch stated he would like to assign the City of Escanaba as the place of permanent record keeping.

**A motion was made by Board Member James Nankervis, seconded by Secretary Patrick Johnson, to approve the City of Escanaba as permanent record keeper on behalf of the Board. Ayes were unanimous.**

Jim O'Toole stated he would like the primary candidates to forward the minutes to all alternate candidates, township clerks, and County clerks.

5. Marketing Plan/Business Attraction. Marketing and business attraction opportunities need to be researched.

Scott Erbisich stated branding, a website design, and a logo all need to be done. All members need to think of ways for business attraction techniques.

Vicki Schwab stated a website is essential and Ryan Bergman would like the website design to be part of the first steps. Ryan Bergman secured the domain name of SuperiorTradeZone.org for the website.

Scott Erbisich stated \$40,000 is committed for this year but additional state money is needed to help with marketing.

6. New Memberships. Negaunee Township would like to be a member of the Superior Trade Zone and have submitted a resolution. Scott Erbisich stated Article X, Admission of Other Parties, Section 10.01 states the procedure for adding new members. A Public Agency may become a Party by submitting a written request to the Corporation Board pursuant to guidelines established by the Corporation Board, payment of the then applicable membership fees, and in accordance with the law. The Corporation Board shall approve or deny the request. Approval of this agreement shall be by registration of the entity seeking to become a Party. Part of the October agenda will include Negaunee Township to become a member as well as any other County that would like to join.

A calendar discussion was discussed with the next meeting in agreement to be held on Tuesday, October 27<sup>th</sup> at 9:00 a.m. at the Maple Ridge Town Hall. Once the Superior Trade Zone is up and running, meetings will likely be held every quarter instead of monthly.

#### **GENERAL PUBLIC COMMENT**

None.

#### **AUTHORITY/STAFF COMMENT AND ANNOUNCEMENTS**

None.

#### **ADJOURNMENT**

The meeting adjourned at 1:06 p.m.

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Scott Erbisich, Chairperson  
Marquette County Administrator

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Patrick Johnson, Secretary  
Delta County Commissioner