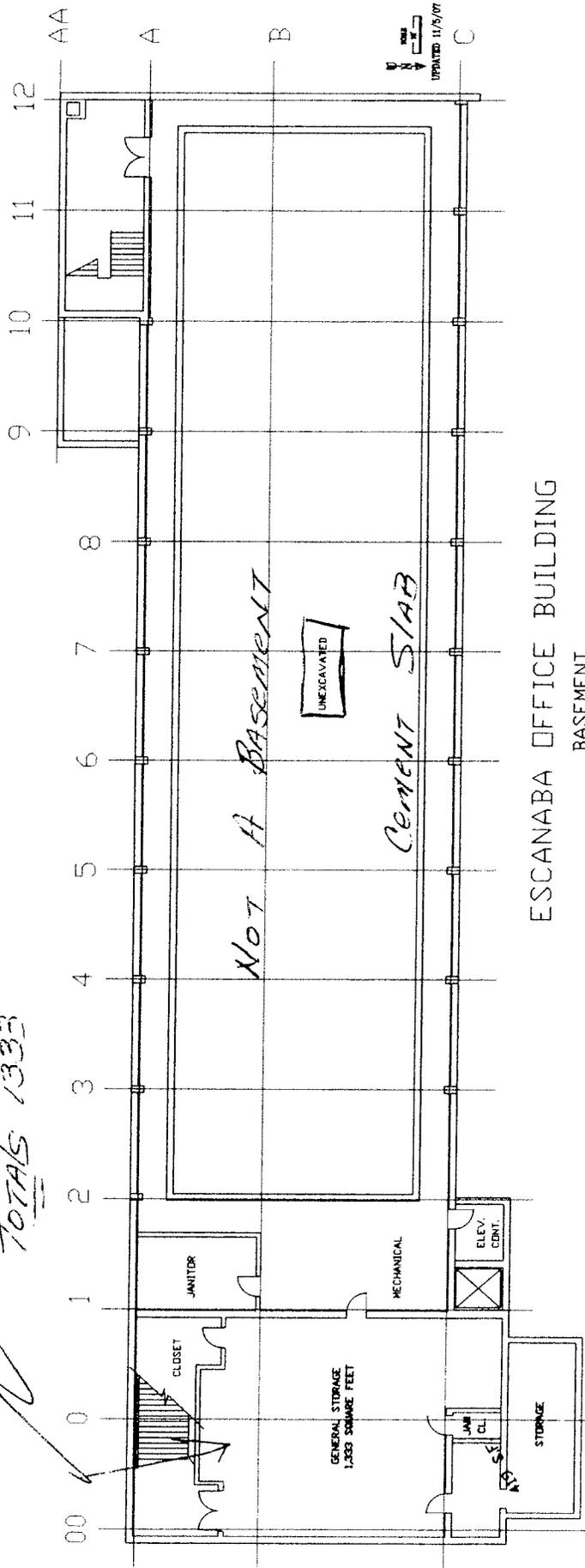
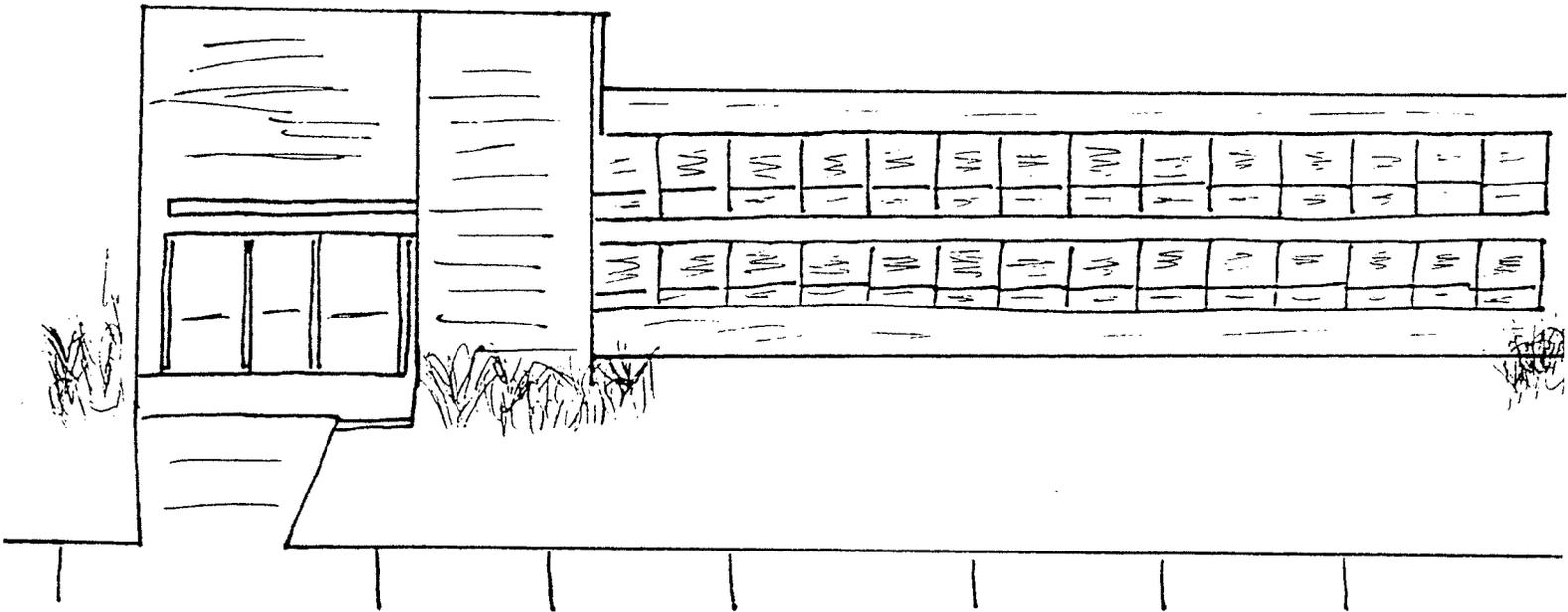


Shaded Area  
TOTALS 1333



ESCANABA OFFICE BUILDING  
BASEMENT

# ESCANABA STATE OFFICE BUILDING



305 Ludington St.  
49829

# History:

---

- Building was built in 1955/56
- Built by city with estate money for the purpose of gaining long term state jobs
- Sold to State in 1964
- County approached State early in April of 2010 requesting the state sell to county
- Sen. Jason Allen identified two ways the State can sell to County State Office Bld.
- County began process identified by Sen. Allen by requesting letters of support from surrounding governmental agencies.
- Rep. Nerat and Sen. Prusi relayed requested financial information about building
- Rep. McBroom and Sen. Casperson elected in November and began working on site
- Rep. McBroom submitted legislation to sell building to Delta County in April 2011
- Meeting with DMB between Rep. McBroom and Sen. Casperson June 9, 2011
- Rep. McBroom sets Appropriation Committee Hearing for Wed. June 29

# Financial Facts:

---

- Currently the State is spending over \$300,000.00 a year to keep building open.
- The SOS is being assessed 5456 sq. ft. of building use. If the county owns the building the SOS will be charged for 3261 sq. ft. without downsizing her office one inch. The SOS will also be given the opportunity to place a kiosk in entrance within 6 months of county taking over building. If the county charges \$15.50 for 3261 and the state charges \$13.84 for 5456 the cost saving to the state for this office alone will be \$24,965.54 per year.
- Departments will be able to take the amount of space they need rather than being assessed for space they do not need and are not getting.
- Departments are being assessed for square footage they are not needing or getting
  - There is 2610 sq. ft. of basement being assessed to departments but there is only a small room at the base of the stairs that services the utilities tunnel. There was never a basement dug. Building is a cement slab construction. The room is approx. 1200 sq. ft. with only two small illegal gambling machines stored in it. Little room is vacant. Even the furnace is gone from this room. Furnace was moved to an auxiliary building in rear of building in 1994.
  - Liquor Control is paying for 1339 sq. ft. for basement storage to set two small machines that measure 2ft. wide and about 4 ft. high. They are paying \$18,531.76 per year to store these machines along a wall. No one can say that's a deal.
  - DHS is paying for 241 sq. ft., SOS 415 and Treasury 615 for nothing
- With all the cost savings in the rents because of a more fair way of measuring sq. ft. the County is willing to pay \$1,000,000.00. The State gets 1 million dollars and saves \$97,710.50 per year in less costs related to this building.

# Benefit to County:

---

- Ability to bring the County's 911 dispatch
  - Currently the 911 is servicing Delta County from our Public Safety Building. Room is too small and is not in a secure area. Equipment for 911 is currently in such a small room the heat from all the computers and boards are wearing and in need of servicing due to the lack of climate control and lack of air replacement.
- Ability to offer other counties to join our dispatch to share services. County would like to be able to serve up to 3 more counties. Combined services would lower the cost per county.
- Dedicated emergency management white board room.
- Space for a High Tech Training area. Escanaba is located in the south central UP. It takes a day to drive to Lansing and another to drive back for any training or meetings. We envision this High Tech Video Room to be available to not only Delta County Folks but surrounding county people to be able to come in for training or video conference with the availability of this equipment.
- Ultimately the county needs land for future jail expansion. As our jail is landlocked it will be necessary to build a new jail within the next 20 years. This site is directly across the street from our court house and would enable us to use the large parking area behind the building for jail space.
- Veterans Counseling Center needs up to 4400 sq. ft. to expand its services to our veterans. This building is a perfect site for this. The plans have been drawn to allow for this service and makes a great fit, it is however necessary to get the building turned over to the county asap because the site selection is in the process. If this center comes to Escanaba it will mean an additional 8 full time jobs and better services to our veterans.

# Updates to the Building:

---

- Changing the furnace to a new bio mass fuel system allowing the county to heat the office building, county court house, jail and possibly Escanaba City Hall and Library. Furnace older unit that was last replaced in 1994.
- Much of the building needs to be tuck pointed. Bricks in corners are visibly showing wear.
- Parking lot need resurfacing. Last resurfaced in 1994, showing much wear.
- All windows need sealing and new control system installed for Air Conditioning.
- Generator will be installed to back up not only 911 but entire building.
- Complete security system including card entry doors. With the 911 in the building it will provide 24/7 security onsite.
- Landscaping to this building to bring it up to standards enjoyed by the county and city buildings. The overgrown shrubs will be removed and an entire new lawn system installed.

# Summary:

---

The county will agree to give first priority to State Departments for rental space. Departments will be able to take the amount of space needed and pay for that amount. County will fill the remainder of the building with offices that compliment the current offices. This is a site that has been identified by the City of Escanaba's Management Plan as "Governmental Offices". This will continue with the county ownership. It has been suggested that the state could move more into the building but the only area you have to move into it is the DHS which is located in the Delta County Services Center. Currently DHS is renting over 13,000 sq. ft. of space and it is full. This department would not fit into the building. Even if they could downsize the state is responsible to stay in the current building until 2013 when the bonds are paid off. That was written in the original legislation written by Sen. Mitch Irwin in the 1970's. Suggestion is mute because the office space would not fit. If you could make it fit the move and remodeling alone would be so huge it would not make it possible. County is not looking for the state to move out of this building and will work with the departments to attain both our needs.

In 2002 there were approximately 46 employees working on a daily basis in this building. At the present the average day sees 12-15 employees. This is mostly due to the SOS Office and Treasury. There is one full time Property Management Person. Other offices are used at various times but generally are not staffed. This is a very steep drop in usage of this building. Attorney General closed his office two years ago. DHS is using this building for training and the hope is that small use will continue.

County does not need to bond for the purchase of this property. There does not need to be a vote to purchase. Delta County has been very wise with their investments and has the ability to not only purchase the building but can afford to do the necessary updates. This is a purchase which will continue the county's long term goals to have the necessary property available when needed. This building is directly across the street from the courthouse which is the only reason the county is interested in it. The parking lot behind the building will offer off street parking for both the county and the DDA and The Chamber of Commerce.

This is an opportunity for the state and the county to combine services. The building is not being used to its full potential under state ownership but would be under county guidance. Let's work together to work for the people we both serve. Save some money and enable everyone to grow.

Thank You for all you do for the State of Michigan and its Citizens

Delta County

Tom Elegreet Chairman of the Board

Nora Viau County Administrator

Judi Schwalbach

# DELTA COUNTY BOARD OF COMMISSIONERS

ADMINISTRATION OFFICE  
310 LUDINGTON STREET  
ESCANABA, MICHIGAN 49829  
PHONE: 906-789-5100  
FAX: 906-789-5197



January 17, 2011

Representative Ed McBroom  
PO Box 30014  
Lansing, MI 48909-7514

Dear Representative McBroom:

The Delta County Board of Commissioners, with the support of local leaders from Michigan Works! the Job Force Board, the Delta County Chamber of Commerce, Delta County Economic Development Alliance, and the City of Escanaba wish to request a sale or conveyance of the State Office Building at 305 Ludington Street in Escanaba to Delta County. We ask that you initiate legislative approval in the form of an authorizing statute and encourage the Michigan State Legislature to fully evaluate this proposal, considering potential benefits to the people of Michigan and the highest and best use of the property.

Delta County and the State of Michigan have an excellent track record of achieving mutually beneficial conveyances of property as evidenced by the transfer of the Upper Peninsula State Fairgrounds from the State to Delta County and the UP State Fair Authority on October 1, 2009. Because of budget concerns, the State decided it would be most beneficial to the people if the State got out of the fair business and entrusted the Fairgrounds property and responsibility for holding the fair to regional authorities. This arrangement proved tremendously successful as the Upper Peninsula hosted the 2010 UP State Fair (Michigan's only state fair) and expanded other uses of the fairgrounds, bringing in over \$1 million in revenue to date. The transfer of the fairgrounds establishes a positive precedent of both State and regional authorities working together to address budgetary concerns, maximize property useage, and successfully retain the benefits of a community asset for the people of Michigan and Delta County.

We representatives of Delta County believe the sale or conveyance of the State Office Building in Escanaba to Delta County is in the best long-term interest of the State of Michigan for the following reasons. First, such an arrangement would allow the State to save money as Delta County would take on responsibility for needed repairs and maintenance of the building and also reduce the rent charged to state agencies who occupy the space.

Second, Delta County would upgrade the facility's heating, security, and power needs and add a training and conference room that would be available to tenant agencies at no additional cost.

Third, while the 20,000 square foot State Office Building technically has a high occupancy rate by State agencies, the actual usage is low with only around 22 people working in the building. Much of the facility sits vacant, representing an unfortunate waste of space paid for by the citizens of Michigan.

Delta County would maximize usage of the property for the benefit of the people. The County would allocate unused space within the building to the Delta County Central Dispatch and the Emergency Operations Center and offer the community one-stop shopping by housing the County Building and Zoning Department, Mechanical, Plumbing and Electrical Inspectors in the same complex.

Future plans also include adding a walkway across Ludington Street to the Courthouse that would allow the Michigan Department of Corrections to enjoy expanded office space and move inmates back and forth between the two buildings in a secure environment. The State Office Building could then be used for needed inmate services such as GED, counseling, and family programs that are currently not possible due to space constraints.

In addition, the State Office Building parking lot is a potential construction site for a new jail that would be located near the Courthouse. The existing jail is located on waterfront property and the City of Escanaba and DDA master plans call for relocation of the facility to allow for waterfront redevelopment. Availability of the State Office Building parking lot would allow Delta County to engage in good community planning while maintaining the convenience and safety of a jail in close proximity to the Courthouse.

With proper planning to ensure the interests of both parties are served, we believe the proposed transfer of ownership from the State to Delta County could be the highest and best use of the State Office Building in the foreseeable future.

Please consider Delta County's positive history of working with the State and the potential benefits to the citizens of Michigan as you evaluate this proposal. We believe this opportunity could reap economic benefits for the State of Michigan and Delta County, for years to come.

Sincerely,



Thomas C. Elegeert, Chairperson,  
Delta County Board of Commissioners



CITY OF

P.O. Box 948 • Escanaba, MI 49829-0948 • (906) 786-0240 • fax (906) 786-4755

Excerpt of the minutes of a regular meeting of the Escanaba City Council held on August 5, 2010, at the Council Chambers of City Hall, 410 Ludington Street, Escanaba, Michigan, at 7:00 p.m.

PRESENT: Mayor Gilbert X. Cheves, Mayor Pro Tem Leo J. Evans, Council Members Patricia A. Baribeau, Brady L. Nelson, and Walter A. Baker

ABSENT: None

**NB-10 "By Council Members Baribeau, seconded by Council Member Evans:**

**RESOLUTION OF SUPPORT  
FOR THE DELTA COUNTY BOARD OF COMMISSIONERS**

**Whereas,** The Delta County Board of Commissioners is interested in helping both the Escanaba Downtown Development Authority (DDA) and the City of Escanaba advance long term Development and Master Plans to improve economic growth in downtown Escanaba, including the City of Escanaba's North Shore, and;

**Whereas,** The City of Escanaba is interested in helping the Delta County Board of Commissioners obtain the State Office Building Complex located at 305 Ludington Street, directly across the street from the Delta County Courthouse at 310 Ludington Street, and;

**Whereas,** The City of Escanaba supports the Delta County Board of Commissioner's request for Michigan legislation enabling Delta County to obtain the State Office Building located at 305 Ludington Street, and;

**Whereas,** The City of Escanaba recognizes the Delta County Board's August 3, 2010 RESOLUTION agreeing to participate in, and work with the DDA's Development Plan and City of Escanaba's Master Plan to determine the best site plan and final use of the State Office Building and to grant the DDA and City of Escanaba the right of first refusal to obtain the Delta County Correctional Facility located at 111 North 3<sup>rd</sup> Street.

**Be it further resolved,** The City of Escanaba supports the Delta County Board of Commissioner's request for Michigan legislation enabling Delta County to obtain the State Office Building located at 305 Ludington Street.

Ayes: Baribeau, Evans, Baker, Nelson, Cheves  
Nays: None

**RESOLUTION DECLARED ADOPTED."**

I hereby certify that the foregoing constitutes a true and complete copy of a resolution duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a regular Meeting held on the 5th day of August, 2010, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

  
Robert S. Richards, CMC, City Clerk

**Mission Statement:**

Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.



August 4, 2010

To all who read this RESOLUTION, be advised, that on August 4, 2010, The Trustees of the Escanaba Downtown Development Authority (DDA) unanimously adopted this:

**RESOLUTION OF  
SUPPORT FOR THE DELTA COUNTY BOARD OF COMMISSIONERS**

**1. REASONS FOR RESOLUTION.**

The Delta County Board of Commissioners is interested in helping both the Escanaba Downtown Development Authority (DDA) and the City of Escanaba advance long term Development and Master Plans to improve economic growth in downtown Escanaba, including the north shore.

The Escanaba Downtown Development Authority is interested in helping the Delta County Board of Commissioners obtain the State Office Building Complex located at 305 Ludington Street, directly across the street from the Delta County Courthouse at 310 Ludington Street.

**2. RESOLUTION.**

The Escanaba Downtown Development Authority (DDA) supports the Delta County Board of Commissioner's request for Michigan legislation enabling Delta County to obtain the State Office Building located at 305 Ludington Street.

The DDA recognizes the Delta County Board's August 3, 2010 RESOLUTION agreeing to participate in, and work with the DDA's Development Plan and City of Escanaba's Master Plan to determine the best site plan and final use of the State Office Building and to grant the DDA and City of Escanaba the right of first refusal to obtain the Delta County Correctional Facility located at 111 North 3<sup>rd</sup> Street.

The DDA further encourages Escanaba City Council to support the Delta County Board of Commissioner's request for Michigan legislation enabling Delta County to obtain the State Office Building located at 305 Ludington Street.

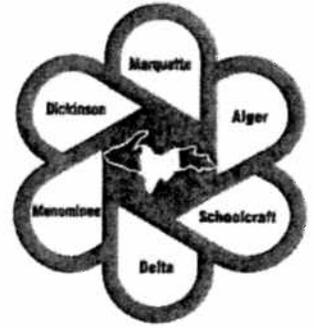
ESCANABA DOWNTOWN DEVELOPMENT AUTHORITY

By: \_\_\_\_\_

*Peter W. Strom*  
Peter W. Strom, Chairman

# *Six County Employment Alliance*

---



## **Resolution Supporting Delta County's Proposed Purchase of State Office Building in Escanaba**

**WHEREAS**, the Six County Employment Alliance supports efforts that increase operation efficiencies and positively impacts local residents.

**WHEREAS**, the Delta County Board of Commissioners continually looks for ways to improve efficiency and availability of services provided to residents.

**WHEREAS**, the county has researched and developed a plan that would benefit residents by taking advantage of an underutilized State-owned building.

**FURTHERMORE**, this plan will bring increased and improved services to residents and reduce a cost burden for the State of Michigan and eliminate impending maintenance upgrades for the State of Michigan.

**WHEREAS**, the purchase State Office Building located at 305 Ludington Street from the State of Michigan by the County benefits the State of Michigan and residents of Delta County.

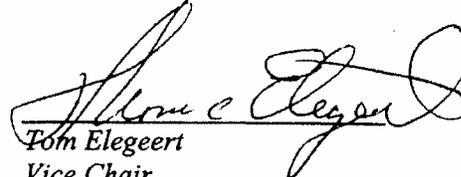
**FURTHERMORE**, this plan will maintain State services in the same building at a reduced cost to the State of Michigan.

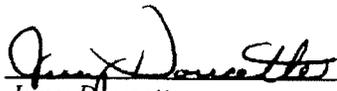
**WHEREAS**, the Delta County Board of Commissioners have agreed upon the proposed purchase of the State office building,

**FURTHERMORE**, the Six County Employment Alliance agrees that the purchase of this State Office Building as proposed by the Delta County Board of Commissioners appears to be in the best interest of local residents.

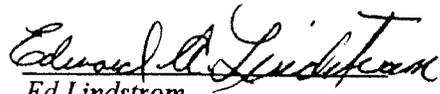
**THEREFORE, BE IT RESOLVED**, the Six County Employment Alliance supports the Delta County Board of Commissioners' purchase of the State Office Building located at 305 Ludington Street.

  
\_\_\_\_\_  
Paul Arsenault  
Chair  
Marquette County

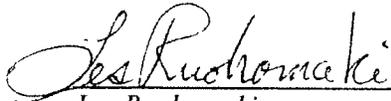
  
\_\_\_\_\_  
Tom Elegeert  
Vice Chair  
Delta County



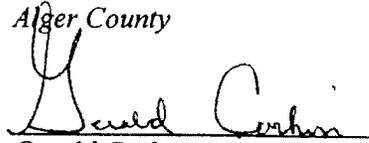
Jerry Doucette  
Board Member  
Alger County



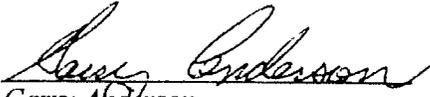
Ed Lindstrom  
Board Member  
Alger County



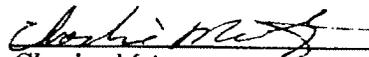
Les Ruohomaki  
Board Member  
Delta County



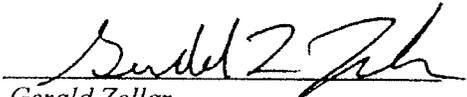
Gerald Corkin  
Board Member  
Marquette County



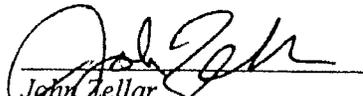
Garry Anderson  
Board Member  
Menominee County



Charles Meintz  
Board Member  
Menominee County



Gerald Zellar  
Board Member  
Schoolcraft County



John Zellar  
Board Member  
Schoolcraft County

**Current Sq. Ft. by DMB**

Name of Department	Sq. Ft. Charged	Rate State Charges	Cost to Departments
SOS 1st Floor	5041	\$13.84	\$69,767.44
<b>SOS Basement</b>	<b>415</b>	<b>\$13.84</b>	<b>\$5,743.60</b>
Comm. For Blind	2426	\$13.84	\$33,575.84
Workmans Comp.	2117	\$13.84	\$29,299.28
<b>Workmans Comp. basement Licq. Control</b>	<b>1339</b>	<b>\$13.84</b>	<b>\$18,531.76</b>
MIOSHA	688	\$13.84	\$9,521.92
Treasury	3561	\$13.84	\$49,284.24
<b>Treasury basement</b>	<b>615</b>	<b>\$13.84</b>	<b>\$8,511.60</b>
DHS	6428	\$13.84	\$88,963.52
<b>DHS basement</b>	<b>241</b>	<b>\$13.84</b>	<b>\$3,335.44</b>
Vacant Office former Attorney General	1427	\$13.84	\$19,749.68
<b>Total of Square Foot charge</b>	<b>24298</b>		<b>\$336,284.32</b>

**Real Sq. Ft. Needed and Used**

SOS	3261	\$15.50	\$50,545.50
Comm. For Blind	1932	\$15.50	\$29,946.00
Treasury	2578	\$15.50	\$39,959.00
Workmans Comp.	2830	\$15.50	\$43,865.00
Liquor Control	850	\$15.50	\$13,175.00
MIOSHA	640	\$15.50	\$9,920.00
	12091		

DHS	1	\$50,000.00	\$50,000.00
			<b>\$237,410.50</b>

Savings Per Year to State \$98,873.82

## **BUILDING INFORMATION**

Building was constructed in 1955/1956

### **MAJOR RENOVATIONS**

1989 - Electrical was updated in the building on all floors

1991/1992 - All interior walls were painted, all carpet in the building was replaced, all modular furniture was replaced with refurbished Herman Miller

1994 - Building exterior walls were tuck-point and a sealer was applied

1994 - New 45hp low pressure steam boiler was installed

1998 - Parking lot re-paved and striped

1998 - New exterior doors installed on all entrances to building

2002 – New windows were installed

2002 – New roof was installed

DEPARTMENT OF MANAGEMENT AND BUDGET  
BOA Space Detail by Building for FY2009

*Based on BOAs as of 11-10-2008*

**BUILDING: Escanaba**

LESSEE / OCCUPANT	BOA #	SQ. FEET Occupied	ANNUAL RATE	Total	Effective Date	Cancel Date
ATTORNEY GENERAL / Attorney General	B1055-01-A-00	1,427	16.41	23,417.07	10/01/2006	
LEG - COMMISSION FOR THE BLIND / Commission for the Blind	B1035-01-B-00	2,426	16.41	39,810.66	10/01/2006	
STATE / Branch Office	B1035-01-C-00	5,041	16.41	82,722.81	10/01/2006	
LABOR & ECONOMIC GROWTH / Workers Disability	B1035-01-D-00	2,117	16.41	34,739.97	10/01/2006	
<b>1 Floor Total</b>		<b>11,011</b>		<b>\$180,690.51</b>		
HUMAN SERVICES /	B1035-02-A-00	6,428	16.41	105,483.48	10/01/2006	
LABOR & ECONOMIC GROWTH / MIOSHA	B1035-02-B-00	688	16.41	11,290.08	10/01/2006	
TREASURY / Audit	B1035-02-C-00	3,561	16.41	58,436.01	10/01/2006	
<b>2 Floor Total</b>		<b>10,677</b>		<b>\$175,209.57</b>		
TREASURY / Storage	B1035-BM-A-00	615	16.41	10,092.15	10/01/2006	
STATE / Storage	B1035-BM-B-00	415	16.41	6,810.15	10/01/2006	
LABOR & ECONOMIC GROWTH / Liquor Control Commission	B1035-BM-C-00	1,539	16.41	21,972.99	10/01/2006	
HUMAN SERVICES / Storage	B1035-BM-D-00	241	16.41	3,954.81	10/01/2007	
<b>Basement Floor Total</b>		<b>2,610</b>		<b>\$42,830.10</b>		
<b>Escanaba TOTAL</b>		<b>24,298</b>		<b>\$398,730.18</b>		
	Space Available for BOAs	24,298				
	Escanaba BUILDING SPACE CURRENTLY NOT OCCUPIED	0				

21,688  
18.36  
without  
Basement

SOS 4440

SOS

44429-4004

Zimbra

nora@deltacountymi.org

± Font size ±

Escanaba State Office

*Dept of Man & Budget  
Justify why  
lower*

From : Rep. Judy Nerat (District 108) <Dist108@house.mi.gov>

Tue May 11 2010 3:53:55 PM

Subject : Escanaba State Office

To : nora@deltacountymi.org

Hello Nora,

I spoke with Tom Elegeert recently and he asked me to send the following information about the Escanaba State Office Building to you. Do feel free to get in touch if you have any questions.

Thank you,

Judy Nerat  
State Representative, 108th District

*DMP & B  
John Nixon Dir.*

The Escanaba State Office

24,298 Square Feet consisting of the following agencies:

- 1,427 SF Vacant Space (Former Attorney General's Office) *NOT THERE*
  - 6,570 SF Department of Energy, Labor and Economic Growth *COMP BLDG*
  - 5,456 SF Secretary of State
  - 6,669 SF Department of Human Services *NOT 1 PERSON*
  - 4,176 SF Treasury
- 26,437.77 2201. (PER MONTH)*
- 525E*
- 3261 50,000*
- 17E*

(94% Occupancy Rate)

Note: DHS recently consolidated staff for program efficiencies into space they leased from Delta County that temporarily vacated space within the Escanaba SOB that permitted DHS to repurpose the available space as a training center. The training center moved from leased space on April 20, 2010 permitting a lease cancellation resulting in savings of \$49,000/annually.

The vacant space on the first floor (1,427 SF) was vacated by the Attorney General's office when they closed their Escanaba satellite office. DTMB is currently evaluating this space with agencies for use by other agencies.

FY2010 Building Occupancy Charge for the Escanaba State Office Building is \$18.51/s.f. *20.73 without basement*

*FIRST TRAINING COURSEL  
OFFICE*

*20X20  
EOC  
911- 20X20*

*WHY DOES DMP WANT TO KEEP BUILDING*

*11-25*

*Phyllis Melou*

## **BUILDING INFORMATION**

The building comprises of 23,200 gross square feet of which 20,042 is rentable square footage. The furnished parking area is 25,000 square feet for 84 vehicles. There are 42,650 square feet of grounds needing intensive care, the entire site is approximately 1.93 acres.

Heat is provided by natural gas fired low pressure boilers-hot water/steam with perimeter fin tube distribution.

Ventilation and air conditioning for the building is provided by a 50 ton roof top unit, distributed to the office area by controlled volume boxes. Or we still have the luxury of windows that open to allow fresh air into the office area.

There are 6 Departments comprising of 16 different divisions occupying space in the Escanaba State Office Building.

D.M.B. staff still maintains 95% of all building maintenance and ground works, we handle all snow removal and security procedures, request for office changes and renovation.

At this time we have 4 contractors providing services to the building, and they are Janitorail, Pest Control, Window Cleaning, and Garbage Removal.

Building hours are 8am – 5pm daily except Saturdays, Sundays, and Holidays. Access to the building at any time other than normal working hours is not permitted unless appropriate authorization has been submitted to the Facility Manager.

All tenants in the building are required to wear their state I.D. badges at all times while in the building.