



Marquette County Road Commission

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June 8, 2015

PRESS RELEASE

FOR IMMEDIATE RELEASE

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NEW ROAD MAINTENANCE FACILITY IN BIG BAY

The **Marquette County Road Commission** recently closed on a \$2.5 million project using a modified public-private partnership (P3) concept to obtain a new maintenance garage and salt shed on County Road 550 in Marquette, Michigan. **Jim Iwanicki**, the engineer-manager of the Road Commission, recommended and the Road Commission Board approved the innovative approach of a public-private partnership to save time and money. Iwanicki was recognized as the 2014 County Road Association Rural Engineer of the Year for Michigan for his efficiencies.

A public-private partnership is an agreement between a government entity and private entities to accomplish a project that capitalizes on the strengths and assets of all the entities while diminishing the risks of delivering the project. P3 projects accelerate construction delivery time and tend to be underutilized by public entities. Iwanicki learned of the benefits of a P3 approach from **David Lick**, a recognized public-private partnership attorney with **Foster Swift Collins & Smith, P.C.** After Lick provided a seminar in Marquette last year, the Road Commission Board engaged Lick and Foster Swift to configure both the construction and financing aspects of this P3 Project.

Utilizing the Road Commission enabling statute, Lick created the P3 project's model of constructing the project using the design build method and financing the project with an Installment Purchase Agreement directly with a bank, saving the Road Commission the time and cost associated with other means of financing. The Road Commission was able to finance the project with less than 2% annual interest, in part because the Project is less

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than \$10 million and "bank qualified", reducing the local bank's financing costs and ultimately saving taxpayer dollars.

The project was financed through **First National Bank & Trust Co. of Iron Mountain**. First National Bank & Trust is an independently owned and managed full service community bank offering complete business and personal banking services, and wealth management services to the greater Dickinson, Menominee, Iron, and Marquette counties in Michigan. With total assets under management approaching \$600 million, First National Bank & Trust is one of the oldest and largest independently owned and operated banks in the Upper Peninsula of Michigan.

On the construction side of the project, Lick and Foster Swift developed a request for proposal (RFP) to local contractors to express interest in designing and building this project. The RFP included specifications and an initial design for the maintenance building and salt shed created by **Richard Uren** of **Northern Design Works**. By obtaining this basic design plan first, the Road Commission was able to jumpstart this project in a short amount of time and select a design-builder to complete the final design while constructing the project.

The final design and construction of the project will be completed by **Associated Constructors, LLC**, (the winning proposal) pursuant to a design-build fixed lump sum contract drafted by Foster Swift. Associated Constructors is a family-owned construction firm headquartered in Marquette, Michigan, with a diverse portfolio of commercial, transportation, industrial, municipal, and environmental projects spanning the Midwest. Using a team approach, Associated Constructors will plan, schedule, and execute this cost-effective project in a team-effort with its architect engineering firm of **U.P. Engineers and Architects, Inc.**, the largest and most diverse group of professional engineers based in upper Michigan.

Foster, Swift, Collins & Smith, P.C., is one of the largest law firms solely serving the state of Michigan. Foster Swift has a public-private partnership team consisting of attorneys who are recognized leaders in project finance, construction, municipal law, taxation, transportation, and bonding. **John Kamins** and **Allison Collins** are two of the Foster Swift team who contributed to the Road Commission project. The firm, through its attorneys, is also a member of the National Council for Public Private Partnerships, the Michigan Townships Association, and the National Association of Bond Lawyers. The public-private partnership team is known for finding unique and cost-effective ways to deliver construction projects both big and small, including transportation projects, wastewater facilities, and buildings.

Iwanicki says that, "The final result of this P3 project will be a maintenance garage and salt shed completed for a fixed lump sum price in less than 15 months from start to finish. The project is scheduled for completion in November 2015."

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