

MINUTES

Kent-Ottawa-Muskegon Foreign-Trade Zone Authority #189

December 5, 2012

Board Meeting

Grand Valley State University

Downtown Campus

401 West Fulton, Room 302E

Grand Rapids, MI 49504

Board Members Present: Ken Rizzio (Ottawa), Paul Howland (Kent), Bonnie Hammersley (Muskegon), Carol Lopucki (Grand Valley State University), Sonja Johnson (Grand Valley State University.)

Board Members Absent: H. James Williams (Grand Valley State University), Alan Jager (Muskegon), Phil Kuyers (Ottawa), Al Vanderberg (Ottawa), Jim Saalfeld (Kent), Daryl Delabbio (Kent), Edward Garner (Muskegon.)

Guests: John ZeValkink, Columbian; Jason Ensink, Columbian; Alicia Cortez, Wolverine.

Chairman Rizzio called the meeting to order at 12:35 P.M and welcomed those Board members in attendance and asked them to introduce themselves.

Since there was not a quorum, the Kent Ottawa Muskegon Foreign Trade Zone #189 met as a Committee of the Whole.

Secretary of the KOM FTZ, Paul Howland, presented the minutes of the August 2, 2012 meeting which was held at The Meadows, Grand Valley State University, Allendale, Michigan.

Treasurer of the KOM FTZ, Bonnie Hammersley, reported that the Board's checking account contained **\$14,671.81**. The Board's CD was worth **\$19,630.33**.

Sonja Johnson, Director of the Kent, Ottawa, Muskegon Foreign Trade Zone presented a zone update on the KOMFTZ as well as a review of activities within the zone. Johnson reported that a new site, # 10 for Southern Litho Plate. Southern Litho, which makes aluminum plates for newspaper printer heads, had received U.S. Customs support on November 27, 2012; its application had been electronically submitted on November 28, 2012; and that on November 29, 2012 the usage drive manufacturing production site had been given the OK less than 120 days after it had been filed.

Johnson also discussed contacts she had made with five other businesses since her last report to the Board.

Johnson reported on the successful Duty Drawback and Foreign Trade Zone Conference which the Board had helped to sponsor. The Conference, held on November 8, 2012, was a valuable and successful initiative.

Additional discussion revolved around the possibility of increasing the size of the KOM FTZ territory by adding five new counties. The members present decided to look into this as a future course of action.

Paul Howland gave the report on behalf of the Fee Schedule Sub-Committee which studied the KOM FTZ's fee schedule as compared to other trade zones around the state and country. This is a transition period for all Foreign Trade Zones and has led to different costs for the same services around the country. The KOMFTZ regards the fee schedule as an economic development tool with simplicity and ease being the Board's guiding principles. The Board felt that it will most likely have to develop a new schedule. The Board had not benchmarked itself against other Boards' fees, but created the Sub-Committee to research what other Zones have done and are doing. Chaired by Mr. Rizzio, the Sub-Committee's membership included Executive Director Sonja Johnson and Paul Howland.

In addition, Ms. Johnson was asked to look into the possibility of hiring a graduate student who would be able to research the information the Fee Schedule Sub-Committee uncovered. This "Fulltime Implemented MBA" (FIMBA) student is \$15,000/year.

H. James Williams (Grand Valley State University) joined the meeting.

The Board asked Ms. Johnson to conduct an e-vote of the KOM FTZ Board as there was not a quorum present at the meeting. The Board also instructed Ms. Johnson to make sure that the student's work plan included more than analytical studies. The Board stressed a heavy concentration on "customer service" for the Zone's customers as new rules and regulations will come into place during the beginning of 2014.

The Board's discussion then turned to the question of new members or new appointments to the Board; the date of the next Board meeting (February 27, 2013 in Muskegon, MI;) the adoption of the Board's 2013 meeting schedule; and reworking the agreement with Grand Valley State University.

Guests' comments included the offer by Wolverine for an off-the-record presentation in the future and the fact that Colombian will be moving to a new headquarters building early in 2013.

The next meeting of the Kent Ottawa Muskegon Foreign Trade Zone will be held on:

February 27, 2013 (WEDNESDAY)

12:00 P.M.

Michigan Alternative and Renewable Energy Center

200 Viridian Drive

Muskegon, MI 49440

All business being accomplished, the Kent-Ottawa-Muskegon Foreign Trade Zone #189 adjourned at 1:15 P.M.



Paul Howland, Secretary
February 27, 2013