

MINUTES

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

March 23, 2011

Ottawa County Courthouse

414 Washington Street

Grand Haven, MI

Board Members Present: Ken Rizzio (Ottawa), George C. Jackson (Ottawa), Al Vanderberg (Ottawa), Daryl Delabbio (Kent), Paul Howland (Kent), Jim Saalfeld (Kent), Bonnie Hammersley (Muskegon), Edward Garner (Muskegon), Alan Jager (Muskegon)

Board Members Absent: H. James Williams (Grand Valley State University), Sonja Johnson (Grand Valley State University), Carol Lopucki (Grand Valley State University)

Chairman Rizzio called the meeting to order at 12:20 P.M and welcomed those members in attendance as well as the two new FTZ Board members, Kent County Commissioner Jim Saalfeld and Muskegon County Commissioner Alan Jager.

The minutes of the September 29, 2010 meeting were reviewed and approved.

Director of the Foreign Trade Zone, Sonja Johnson, was unable to attend this meeting as she was participating in a Conference in Arizona. However, she prepared an update of her activities for the Board's consideration. A copy of the Director's report is attached to the minutes.

Chairman Rizzio presented the FTZ's financial report. The 5/3 CD has a value of \$19,274.39 as of March 22, 2011. The KOMFTZ checkbook balance is \$13,842.60. As a reminder to the Board, Chairman Rizzio announced during the September 29, 2010 Board meeting, *"that the annual administrative fee to Grand Valley State University is due during the first quarter of 2011. As the Board will not meet until the very end of the first quarter, Mr. Rizzio asked for permission to proceed with the \$5000.00 payment prior to the next Board meeting. The Board approved Mr. Rizzio's suggestion."*

Mr. Garner presented his report on the status of the Alternative Site Framework. To date, Mr. Garner reported that:

- The National Association of Foreign Trade Zones is trying to streamline the process which creates new foreign trade zones. The desire is to make the process more flexible. To date, thirty applications nationwide have been submitted to take advantage of this new process.
- The benefit of this change is that the start-up time is considerably shorter.

- The main disadvantage is that the total acreage in a FTZ cannot exceed 2000 acres. (The total acreage in the KOMFTZ is 246 acres.)

The KOMFTZ had already established a subcommittee to study this proposal (see the November 5, 2009 minutes.) *"Sonja Johnson reported on the Alternative Site Framework that was presented at the Chicago meeting of the Midwest Foreign Trade Zones by the National Foreign Trade Zone Board. The Board decided to create a subcommittee to review if this would be a program for KOM to consider changing to. Those that will serve on the subcommittee are: Pete Hickey (Kent), Paul Howland (Kent), Ed Garner (Muskegon), and George Jackson (Ottawa)."*

The Board spent a considerable amount of time discussing the Alternative Site concept. The discussion crystallized into the following question, "How best to proceed?"

The Board decided to conduct an inventory of FTZ sites within the 189th FTZ and to ask Columbian Logistics what they thought about this concept. In addition, the Board decided to postpone a final decision on the Alternative Site until this information can be gathered and presented to the Board during a special meeting. The Board also ordered the Director to proceed with the Alternative Site application process. Board member Vanderberg made the motion which was seconded by Board member Delabbio. The motion passed unanimously.

The special meeting to discuss the Alternative Site Framework is tentatively scheduled for June 22, 2011. This will be a noon meeting at a location to be determined.

The Board then turned to the election of its officers. Ken Rizzio (Ottawa) was re-elected Chairman. Ed Garner (Muskegon) was re-elected Vice Chairman. Paul Howland (Kent) was re-elected Secretary. Bonnie Hammersley (Muskegon) was elected Treasurer.

All business being accomplished, the Kent-Ottawa-Muskegon Foreign Trade Zone #189 adjourned at 1:26 P.M.

The next regular Board meeting will be on Wednesday, September 28, 2011 in Grand Rapids, Michigan. The meeting will start at 12:00 P.M.



Paul Howland, Secretary

May 5, 2011