

MINUTES

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

September 28, 2011

Grand Valley State University

Pew Campus

Room 202 Building D/E

Grand Rapids, MI 49504

Board Members Present: Ken Rizzio (Ottawa), George C. Jackson (Ottawa), Al Vanderberg (Ottawa), Daryl Delabbio (Kent), Paul Howland (Kent), Jim Saalfeld (Kent), Edward Garner (Muskegon), Carol Lopucki (GVSU), Sonja Johnson (GVSU)

Board Members Absent: H. James Williams (Grand Valley State University), Bonnie Hammersley (Muskegon), Alan Jager (Muskegon)

Chairman Rizzio called the meeting to order at 12:20 P.M and welcomed those Board members in attendance as well as the various guests in attendance.

The minutes of the March 23, 2011 meeting held in Grand Haven, MI and the minutes of the June 20, 2011 Special Alternative Site Framework meeting held at Grand Valley State University in the Amway Board Room were reviewed and approved. (Vanderberg moved, Saalfeld seconded.)

Sonja Johnson, Director of the Foreign Trade Zone, presented her report on the Trade Zone's activities since the June 20, 2011 meeting. In that period of time, there have been forty-two calls regarding the Zone's status. These calls have been generated thanks to Wolverine Worldwide and the success of its subzone. In addition, forty five calls were new inquiries about the Foreign Trade Zone. Other activities have included working with a real estate broker to find a 10,000 square foot refrigerated facility for a prospective client. Altria continues to thrive as the Altria facility located at the Gerald R. Ford International Airport ships product to its duty-free stores twenty times per month. In wrapping up her comments, Director Johnson told the KOM Board that the Foreign Trade Zone Board located in Washington, D.C. has changed all of the Boards' calendars from a fiscal to a calendar year. The KOM FTZ has engaged in a great deal of activity from phone calls to other forms of inquiry. Johnson noted one problem: The drawback process is very cumbersome and there is not a business or financial case to do it right now.

Chairman Rizzio presented the FTZ's financial report. The 5/3 CD has a value of \$19,274.39. The CD expires on November 9, 2011. The KOMFTZ checkbook balance is \$15,009.

Mr. Garner then led the discussion 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.)

In addition, the KOM FTZ held a special meeting on June 20, 2011 to discuss the Alternative Site Framework.

The Board spent the remainder of the meeting discussing the Alternative Site concept. The discussion crystallized into voting for implementing the Alternative Site Framework

In the past, 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 was gathered and presented to the Board during a special meeting. The Board also ordered the Director to proceed with the Alternative Site application process.

Based on the Board's thorough study of this issue, Board member Vanderberg made the motion which was seconded by Board member Garner to approve the switch-over to the Alternative Site Framework. The motion passed unanimously.

As its final business item, the Board discussed bringing in the Right Place Organization. Director Johnson stated the KOM FTZ has close communication and cooperation with the Right Place.

All business being accomplished, the Kent-Ottawa-Muskegon Foreign Trade Zone #189 adjourned at 12:48 P.M. (Saalfeld moved and Delabbio seconded.)

The next regular Board meeting will be on Wednesday, November 30, 2011 in Muskegon, Michigan. The meeting will start at 12:00 P.M.



Paul Howland, Secretary

November 29, 2011