

MINUTES

Kent-Ottawa-Muskegon Foreign Trade Zone Authority #189 September 29, 2010

Michigan Alternative and Renewable Energy Center
200 Viridian Drive
Muskegon, MI 49440

Board Members Present: Sonja Johnson (Grand Valley State University), Carol Lopucki (Grand Valley State University), Ken Rizzio (Ottawa), George C. Jackson (Ottawa), Al Vanderberg (Ottawa), Daryl Delabbio (Kent), Paul Howland (Kent), Bonnie Hammersley (Muskegon), Edward Garner (Muskegon)

Board Members Absent: H. James Williams (Grand Valley State University), Pete Hickey (Kent), Charles Buzzell (Muskegon)

Chairman Rizzio called the meeting to order at 12:25 P.M and welcomed those members in attendance.

The minutes of the February 18, 2010 meeting were reviewed, corrected, and approved.

Executive Director of the Foreign Trade Zone Sonja Johnson then briefed the Authority's members on the activities of the KOMFTZ since the last meeting:

- The "secret" FTZ which was discussed at the last meeting still remained secret. What is known includes the fact that it might be a manufacturer; in re-export; a freight forwarder; and that it would use the company's existing site in Kent County.
- The FTZ office had received forty-eight telephone through June, 2010 calls with questions regarding the advisability of a foreign trade zone as opposed to not creating an FTZ.
- Ms. Johnson met the operator of the KOMFTZ, Columbian Logistics Network, three times to review marketing items as well as to look at their facilities.
- Wolverine Worldwide will discuss its experience in setting up a FTZ at the October 15, 2010 Foreign Trade Zone breakfast seminar which

will be held at the Michigan Alternative and Renewable Energy Center in Muskegon, MI. The FTZ Office has received thirty registrations so far.

- Ms. Johnson reviewed the article, *Using Foreign Trade Zones to Assist Global Supply Chains*, which appeared in August 16, 2010 issue of the Grand Rapids Business Journal and the advertisement promoting the October 15, 2010 breakfast seminar that appeared in the September 27, 2010 issue of MiBiz.
- Ms. Johnson attended a Foreign Trade Zone Conference in Miami, Florida that discussed the foreign trade zone alternative site framework. The foreign trade zones from Lansing and Battle Creek also attended the Miami meeting.
- The container that was stolen from Wolverine Worldwide was discovered in Miami, Florida. It was empty.
- This year's annual reports are beginning to come into the KOMFTZ office.

This concluded Ms. Johnson's report to the Board.

Chairman Rizzio presented the FTZ's financial report. The Two Year CD has a value of \$18,734.00. The KOMFTZ checkbook balance is \$11,681.

Mr. Garner presented his report on the foreign trade zone webinar, *Alternative FTZ Site Framework*.

- 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 has 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)."

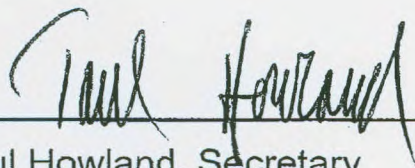
- Mr. Garner will contact the members of this subcommittee to make a recommendation to the full KOMFTZ at the next meeting in March, 2011.

The Board discussed the KOMFTZ website which contains a great deal of information. Ms. Johnson welcomes any input the Board can give to improve the website as well as to any improvement that can be made to the KOMFTZ logo.

Chairman Rizzio announced 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 payment prior to the next Board meeting. The Board approved Mr. Rizzio's suggestion.

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

The next Board meeting will be on Wednesday, March 23, 2011 in Grand Haven, Michigan at the Ottawa County Court House. The meeting will start at 12:00 P.M.



Paul Howland, Secretary