

MINUTES

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

March 28, 2012

Wolverine World Wide
9341 Courtland Drive, NE
Conference Room C
Rockford, MI 49351

Board Members Present: Ken Rizzio (Ottawa), Daryl Delabbio (Kent), Paul Howland (Kent), Edward Garner (Muskegon), 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), Jim Saalfeld (Kent) Al Vanderberg (Ottawa), Phil Kuyers (Ottawa), Alan Jager (Muskegon),

Guest: Theresa Lowery, Customs Compliance Manager, Wolverine World Wide. Alicia Cortez, Foreign Trade Zone Administrator, Wolverine World Wide Donna Randall, Columbian Logistics Network

Chairman Rizzio called the meeting to order at 12:33 P.M and welcomed those Board members and guests in attendance.

The minutes of the November 30, 2011 meeting, held at the Michigan Alternative and Renewable Energy Center in Muskegon, MI, were reviewed and approved. (Delabbio moved with Lopucki and Garner seconding.)

Sonja Johnson, Director of the Kent, Ottawa, Muskegon Foreign Trade Zone presented an update on the KOMFTZ and the Alternative Site Framework process which had been approved by the FTZ Board at its meeting on November 30, 2011.

- **Alternative Site Framework Application:** The KOMFTZ Board submitted the ASF notice of intent to The Grand Rapids Press on March 11, 2011.
- U.S. Customs has been notified about the ASF. It appears that the Board's application is in order. The Board is waiting for a letter of support from U.S. Customs in support of the Trade Zone's action.
- Johnson reported that the trade zone is now waiting for the ASF application to go through the ninety day public comment period and the regulations allow for 7.5 month processing time and would be awarded by October 19, 2012.
- There will be a five year sunset period on inactive foreign trade zone sites in the KOMFTZ area.
- **Minor Boundary Modification:** Johnson next talked about a "Minor Boundary Modification" for Wolverine World Wide. Wolverine's warehouses are expanding and there is discussion to set up a west coast distribution center in Wayland, MI.

This would be a very large warehouse that would come into service over the next five to ten years.

- Wolverine World Wide needs to activate this new space by swapping its underdeveloped site in Rockford, MI with the large warehouse in Wayland, MI.
- **Operator Agreements:** The General Purpose Agreement has been renewed with Columbia Logistics Network. One of the renewal's actions is to change the agreement from a three year to a five year time period. In addition, the operating agreement with Wolverine World Wide will be renewed after the KOMFTZ Board Meeting.
- **Regulation Changes:** Federal Trade Zone regulations are going to be updated after a twenty year period. The object is to make the process more "user friendly" and more transparent.
- **New Business:** Chairman Rizzio and Director Johnson will meet with In-On-Time located in Zeeland, MI. In-On-Time has expressed interest in the foreign trade zone and has asked for a briefing and is debating whether it wants to be a magnet site or a usage driven site.
- Donna Randall of Columbian reported that business in the GPZ was up.

Bonnie Hammersley presented the FTZ's financial report. The 5/3 CD has been renewed for twenty-four months. The interest rate is .65%. The value of the CD is \$19,551.94. The KOMFTZ checkbook balance is \$14,212.01. Carol Lopucki moved and Bonnie Hammersley seconded the motion to pay Grand Valley State University the \$5000 annual administration fee. The motion passed.

Discussion turned to the KOMFTZ Fee Schedule. At the present moment, the fee is down to 1% from 2.5% because of the Columbian reduction. The Board felt that it will most likely have to develop a new schedule. The Board has not benchmarked itself against other Boards' fees, but will research what other communities have done and are doing. The motion was made by Edward Garner and seconded by Daryl Delabbio to put the KOMFTZ fee schedule on the Board's website. The motion passed.

The KOMFTZ turned next to its Officer Elections.

Daryl Delabbio moved and Ed Garner seconded that the present slate be re-elected by unanimous ballot. The motion passed.

Chairman: Ken Rizzio. **Vice Chairman:** Edward Garner. **Treasurer:** Bonnie Hammersley. **Secretary:** Paul Howland.

Daryl Delabbio moved and Carol Lopucki seconded that Bonnie Hammersley be given Board authorization as Treasurer in the Board's dealing with 5/3 Bank. 5/3 holds the KOMFTZ's CD accounts. The motion passed.

Daryl Delabbio moved and Carol Lopucki seconded that 5/3 Bank be notified by Grand Valley State University about Ms. Hammersley's authorization. The motion passed.

The Board next set its meeting dates for the remainder for 2012. The dates are:

**August 2, 2012 (Thursday)
Ottawa County**

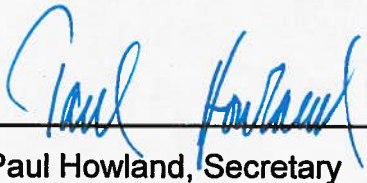
**November 28, 2012 (WEDNESDAY)
Grand Valley State University, Downtown Campus**

The Board discussed several areas in the "Any Other Items Not on the Agenda."

- Ed Garner reported on a transportation and wind components manufacturing consortium that is being created to discuss the transportation challenges facing this industry.
- The Board listened to a report on the Next Michigan Development Corporation and its leadership in developing an Aerotropolis in the Detroit area.

All business being accomplished, the Kent-Ottawa-Muskegon Foreign Trade Zone #189 adjourned at 1:10 P.M. (Garner moved Delabbio seconded.)

The next regular Board meeting will be on Thursday, August 2, 2012 at The Meadows, 4645 West Campus Drive, Allendale, MI 49401 – GVSU Allendale Campus. The meeting will start at 12:00 P.M. with lunch being served.



Paul Howland, Secretary

July 19, 2012