

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

Special Alternative Site Framework Meeting

Minutes - June 20, 2011 - 12:00 p.m.

Grand Valley State University Amway Board Room

Present: Bonnie Hammersley (M), George Jackson (O), Alan Jager (M), Sonja Johnson (GVSU), Carol Lopucki (GVSU), Ken Rizzio (O), Jim Saalfeld (K), James Williams (GVSU)

Visitors: Donna Randall & John Zevalkink Columbian Logistics; Norma Roelfsema (VAGTC)

Absent: Daryl Delabbio (K), Edward Garner (M), Paul Howland (K), Al Vanderberg (O)

- The meeting opened with lunch, welcome and introductions at 12:12pm
- Sonja gave a presentation prepared by the National FTZ Board regarding Alternative Site Framework (ASF)
  - ASF application fee is \$1,600 vs much higher FTZ project fees under existing FTZ structure. ASF will allow processing of new usage driven and magnet sites within 3 months of application. The application is much easier to complete under ASF and does not require legal council to complete. ASF will have no impact on current zone users
    - A current KOM fee schedule was reviewed.
    - ASF allows up to six 6 magnet sites/operators can exist with multiple users within the same site
    - In speaking with the National FTZ Board at the end of the meeting the existing 9 KOM sites can be grandfathered in with the 5 year sunset clause applied under the ASF application.
  - No cost to move the existing service area and 9 existing sites to ASF.
  - ASF zones can activate up to 2000 acres, KOM's current 9 sites have 246 acres.
  - KOM would be the second zone to apply behind Michigan zone #70 in Detroit which is currently in process preparing an ASF application
  - Once application for ASF is submitted it is taking an average of 6 months to receive approval to go transfer to ASF.
  - Wolverine World Wide as a subzone took from August 2008 to March 2009 and had to hire an FTZ consulting firm which would be cost prohibited to SMEs. Under ASF Wolverine would become a "Usage" driven site.
- Sonja will bench mark with other FTZs to see how many hours it took to complete the ASF application. Ken brought up the fact that this would be over and above the work expected of Sonja as director of KOM and not in the normal course of business. Sonja will propose an hourly fee to prepare the ASF application.
  - Ken said he would assist Sonja as much as possible time allowed.
- The existing 9 KOM sites should have each county verify current property owners. Each county to confirm back to the board the site owner so that KOM can notify the sites KOM is going to the new ASF structure. A formal letter to the site will go out after the county economic developer has discussion. The dialog and verification of property owner to take place prior to the next meeting for a board report at the September 28, 2011 meeting.
- Sonja provided each board member attending a copy of the Application for ASF
  - Columbian Logistics requested they have their two sites as magnet sites.
  - John had a couple of questions regarding the ASF, but felt it was a good idea

- As for adding another county to the “service area” of KOM it was recommended to wait until the ASF transfer was completed. The board would have time to evaluate if it would be a good idea to pursue adding additional counties that met the 60 miles/90 minute from Customs Port criteria.
- During a phone call to the National FTZ board, the regional contact, Liz Whiteman noted that 37 zones have reorganized with ASF and another 20 zones have applications pending approval.

Meeting was adjourned at 1:36pm and the next board meeting is scheduled for September 28<sup>th</sup> at 12:00 p.m. in Grand Rapids.