KALAMAZOO COUNTY ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS

MEETING DATE: **Thursday, January 27, 2011**
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue
Room A – Second Floor
Kalamazoo, Michigan 49007

AGENDA

TIME: Immediately after EDC Annual Mtg. (2nd mtg.)

1. Call to Order

2. Members Excused

3. Approval of Agenda

4. Approval of minutes of January 27, 2011 EDC Meeting attached/ **action**

5. Citizens Comments (4 minutes each/ any item on the agenda or not on the agenda/ Please state name and address)

6. Reports Staff and Committee
   a. EDFP – LRC meeting - Staff and Member Agostinelli
   b. Southwest Michigan First – "2010 Report and Plan of Work for 2011" / handout
   c. ACW Update
   d. Event Center

7. Other –

8. Board Member Comments

9. Adjournment

Next meeting: THURSDAY July 28, 2011

PLEASE CALL 384-8304 OR EMAIL ME AT dpartl@kalcounty.com
PLEASE CALL IF YOU ARE UNABLE TO ATTEND THE MEETING.

KALAMAZOO COUNTY
ECONOMIC DEVELOPMENT CORPORATION
MINUTES

MEETING DATE:	Thursday, January 27, 2011
PLACE OF MEETING:	County Administration Building

Present were:	Joe Agostinelli, Clare Annen, Larry Baumgart, Brandt Iden, Ken Peregon, Julie Rogers, Anne Summerfield, Thell Woods
Staff Support:	David Artley, David Stegink for Jeff Hawkins (consultant), Lotta Jarnefelt
Absent:	Ruth Blake, Leroy Crabtree, Matt VanDyk, Representatives from Augusta, Comstock and Kalamazoo
Recording Secretary:	Lori Pyatt

1. CALL TO ORDER
   Vice-Chair Woods called the meeting to order at 5:23pm.

2. MEMBERS EXCUSED
   Ruth Blake, Leroy Crabtree and Matt VanDyk were excused.

3. INTRODUCTION OF NEW MEMBER
   Mr. Brandt Iden had been introduced during the BRA meeting.

4. APPROVAL OF AGENDA
   A motion was made to approve the agenda.
   Motion: Agostinelli Support: Summerfield
   Motion carried by unanimous voice vote.

5. APPROVAL OF MINUTES
   A motion was made to approve the December Minutes 2010 as presented.
   Motion: Annen Support: Rogers
   Motion carried by unanimous voice vote.

6. CITIZENS COMMENTS
   There were no comments made.

7. CONSENT CALENDAR/ACTION AGENDA
   A. CONSIDER ADJUSTING THE REGULAR MEETING SCHEDULE FROM MONTHLY TO QUARTERLY EFFECTIVE IMMEDIATELY.
   The recent developments with SWMF's Economic Development Fund Program were discussed; the committee was still being organized. (Any loan granted would have to come back to the County Board to be voted on, otherwise information would be kept confidential.) Bank reps had been selected from PNC Bank, First National Bank of Michigan, and Consumer's Credit Union. The EDFP was explained. Hypothetical situations in which the financial representatives would have to declare conflict of interests were discussed. Mr. Artley would send Mr. Iden the EDFP policy.

   Mr. Agostinelli didn't think there would be loans awarded very frequently; monthly meetings of the EDC were probably unnecessary. Mr. Woods handed out an Upjohn Institute Power Point document showing how Kalamazoo was faring in the area of employment. He then

encouraged the members to not abdicate their responsibility as a Board.

Mr. Iden raised the possible negative perception of the EDC not meeting monthly while the economy continued its recession. Ms. Rogers stated she could cover the EDC's history in more depth at a later date—she didn't see their role being expanded in the near future. She was still concerned that small businesses wouldn't be well represented in the EDFP.

A motion was made as follows:

"I move that the Kalamazoo County Economic Development Corporation regularly meet quarterly on the fourth Thursday of the month in the months of January, April, July and October. And will be posted accordingly. Special meeting may be called as needed."

Motion: Agostinelli Support: Baumgart

Discussion ensued on the possibility of meetings be held when needed, or continuing meeting monthly even if for five minutes.

The show of hands was as follows:
Ayes: All Present (except Woods) Nays: Woods
Absent: Blake, Crabtree, VanDyk
Abstained: None
Motion Carried

8. REPORTS

A. BY-LAWS

The by-laws were approved by the CBOC on January 17th. No wording had been changed before the CBOC approved the by-laws.

B. EDFP UPDATE

Nothing further was reported.

C. ACW UPDATE

There was a concerted effort on the steering committee to consolidate the thinking and ideas. There would be a long meeting in February to answer the questions that have been posed. The March 18th meeting would unveil the draft vision, which would be revealed publicly thereafter. It was clarified that this had nothing to do with the County.

D. EVENT CENTER

This was on the strategic calendar of the County Board and would come up for discussion during the year.

9. OTHER

There was nothing reported.

10. BOARD MEMBERS COMMENTS

-Ms. Rogers echoed a previous comment by Mr. Iden, saying it was unfortunate that the EDC's role had been watered down in light of the current economic condition.
-Mr. Woods hoped that the County would recognize the benefit of working through the EDC.
-Mr. Baumgart agreed with Ms. Rogers regarding her concern for small businesses.

11. ADJOURNMENT

A motion was made to adjourn the meeting at 5:44pm.
Motion: Peregon Support: Annen
Motion carried by unanimous voice vote.

NEXT:
ANNUAL MEETING, Thursday, APRIL 28TH after the BRA Meeting.

Respectfully submitted: LP

Department of Planning & Community Development
201 West Kalamazoo Avenue, Rm. 202 · Kalamazoo, Michigan 49007
Phone: (269) 384-8112 · FAX: (269) 383-8920 · Email: LMJARN@kalcounty.com

Lotta Jarnefelt, Director

MEMO

Date: March 30, 2011

To: Board of Commissioners, Administration

From: Lotta Jarnefelt

Re: Southwest Michigan First - *2010 Results* and *Plan of Work 2011 reports*

The County allocates $75,000 a year to Southwest Michigan First (SWMF) to support economic development activities. As a part of the requirements of the contract with the County, SWMF provides some plans and feedback on how their work is affecting the county.

The *2010 Results* report lists the companies that SWMF has assisted in some capacity, and the jobs announced. It also gives a synopsis of each project. During 2010, 25 companies, or 22% of the ones that SWMF had assisted, made positive job announcements totaling 1,758 jobs that were a direct result of SWMF activities.

The *Plan of Work 2011* report discusses the success measures that will be used, target industries and strategies on how to continue their successful work in 2011. The target industries are Advance Manufacturing, Medical Device, Back Office, Research and Development Facilities and Health Sciences. The Entrepreneurial/Innovation Development focuses on Health Science. Other examples of areas to work on are connections to universities and recognizing leadership and talent.

According to the contract, these two reports prompt the payment of the second 50% of the annual allocation for 2010, and the first 50% of the 2011 annual $75,000 allocation to SWMF.

SWMF will give a presentation to the BOC on June 21, further highlighting their activities.

Southwest Michigan First
Report to Kalamazoo County

Plan of Work 2011

southwest michigan first
The Kalamazoo Region's Economic Catalyst

Southwest Michigan First: Plan of Work 2011

Our vision is to create abundance in the community through private sector employment.

The mission of Southwest Michigan First is to be the Regional Catalyst for Jobs and Wealth Creation.

To achieve our vision and mission, we must:

- Assist private sector companies with the growth of jobs in the region
- Develop a business climate conducive to job creation
- Encourage the creation of economic infrastructure
- Amalgamate/maximize financial, personal and political capital
- Develop and accelerate a talent driven organization

Our success in these areas will be measured by the following indicators:

Success Measures	
Primary	**Secondary**
Jobs Announced	Existing Industry Visits
New Companies Started	Suspects
Capital Funding for Young/Growing Companies	Prospects
Jobs Retained	Home Office Visits
	Earned Media Impressions
	Entrepreneurial Investment Opportunities
	Site Decision Influencer Impact Meetings
	Staff Generated Revenue

Internal Business Development

Focus on internal business development or the retention and expansion of existing companies must be our first priority. Not only will existing companies produce the largest number of new jobs but they will do so at a lower cost both in terms of costs to develop the opportunity as well as assistance required to complete the deal.

Specifically, our areas of focus will be to work with existing companies who have either indicated a desire and ability to experience significant growth and or those companies that are in our targeted industry sectors of Advanced Manufacturing, Medical Device, Back Office, Research and Development Facilities and Health Science.

Southwest Michigan First: Plan of Work 2011 (con't)

Activities (In Addition to Site Visits):

- Continuous Improvement User Group
- First and Foremost Meetings
- Contract Research Organization Roundtables
- Medical Device Roundtables
- Monroe-Brown Internship Program
- Real Estate Roundtables
- Tool and Die Consortium
- Western Michigan University Football Box
- Home Office Visits
- Build Awareness

External Business Development

Our target industry external business development/recruitment strategies are focused on five areas: Advanced Manufacturing, Medical Device, Back Office, Research and Development Facilities and Health Science. These sectors are our focus due to the community's existing talent base, our historical capacity, real estate availability and sector support services.

After discussions with the Michigan Economic Development Council, it is clear that they will continue to deploy a recruitment strategy – but one that is community-driven and that embraces job creation verses attempting to create/relocate entire industry sectors. This strategy is exactly what we have been advocating for the past six years and is in accordance with our plan.

Activities – Sector Specific Events

- Bio International
- Council for Auto Research
- American Academy of Orthopedic Surgeons
- MidAmerican Healthcare Venture Forum
- Med Tech
- Medical Device Manufactures Association
- MichBio Expo

Activities – Site Decision Influencer Impact Events

- CoreNet Global – Chicago and Atlanta
- Industrial Asset Management Council – Albuquerque and Philadelphia
- Location Advisory Board
- Impact Visits
  - New York City
  - Phoenix
  - Charlotte
  - Minneapolis
- Earned Media
- Newsletter
- Digital Communications
- Consulate Tour of the Region
- Site Selector Tour of the Region

Entrepreneurial/Innovation Development

Our Entrepreneurial/Innovation opportunities continue to be focused on Health Science, Medical Device and Advanced Manufacturing. Each of these sectors represents at least a 70-year legacy of growth and relevancy. We focus on these areas in partnership with the Southwest Michigan First Life Science Fund, the Southwest Michigan Innovation Center, the Michigan Medical Device Accelerator and First Angels. Community partnerships are leveraged as needed with existing regional companies, educational institutions such as Western Michigan University and Kalamazoo Valley Community College and incubators like M-TEC. Our focus is on both at the start-up level as well as young companies who have a desire to achieve exponential growth.

We must pursue the following activities:

- Creation of Innovation-Based Deal Flow
- County Revolving Loan Fund
- Deal Showcases
- Increase of Access to Federal and State Grant Funding
- Increase of the Amount of Locally Available Equity Capital
- Expansion of First Angels – Angel Tax Credit
- Expansion of the Executive in Residence Program
- Recruitment of Venture Capital Firms to the Community
- Strengthening of Suppliers/Service Providers Who Can Assist Start-ups
- Increase in Funding from the State of Michigan

The Integrated Plan (con't)

Legislative/Public Policy

Southwest Michigan First does not operate in a vacuum. Thus for us to be successful and meet our responsibilities of job and wealth creation, we must partner with other high performance groups to ensure that we are being well represented in Washington, D.C. and Lansing.

Key to the success of this effort:

- Organization of Southwest Michigan's businesses, foundations, communities and individuals to serve as a powerful, proactive, and definitive voice for the growth of jobs and wealth in the region
- Monthly legislative meetings with key community leaders
- Provision of opportunities for private sector leaders to elevate their voices on issues of regional, state and federal significance
- Monthly legislative accountability meetings summary

Formalize Partnerships and Agreements

To begin attacking the programs and success measures outlined above, it is imperative that the organization make the following activities a focus in 2011:

- Michigan Economic Development Corporation
    - Existing Industry Program
    - Innovation Funding
    - Joint Marketing
- Regional Partners
    - Regional Economic Development Corporations
    - Region: West Michigan Partners
    - Regional Cities

Leadership/Talent

In the end, economic development is about people. In particular, having talented people who have the potential to create and fill jobs that will create wealth in the community will make the biggest impact on successfully impacting unemployment. This strategy falls into three areas: (1) development of existing high potential leaders, (2) recruitment of new leaders to fill employment needs in the community and (3) retention of Western Michigan University, Kalamazoo College and Kalamazoo Community College students.

Activities Impacting Existing High Potential Leaders:

- Catalyst University

The Integrated Plan (con't)

Activities Focusing on the Recruitment of New Leaders:

- Allocation of Work Visas
  - Investment-based
  - Geographically assigned

Western Michigan University-focused Activities:

- Expansion of International Student Connectivity
- Retention of International Students Post Graduation
- Alumni Come-Home Program
- Internship Programs

Activities Focusing on Senior Leaders:

- Development of Pool of Leaders for Senior Community Service

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Southwest Michigan First
Report to Kalamazoo County

2010 Results

southwest michiganfirst
The Kalamazoo Region's Economic Catalyst

Job Announcements 2010

Jobs and wealth creation is Southwest Michigan First's number one priority. In 2010, 117 companies requested our assistance with their growth needs from either within or outside of the community. Of those, 60, or 51%, became viable opportunities for job creation as they visited the community (if they were from another location) or explored expansion options (if they were from within). During 2010, 25 companies (22%) made positive job announcements totaling 1,758 jobs announced that were a direct result of our activities. Here is a summary of those announcements:

Company	Industry	Jobs Announced	2010 Announcement
Arc Engineering	Life Science	**5 new**	The small engineering and consulting firm added 5 engineers and moved its offices to downtown Kalamazoo as it expands its business.
AT&T	Back Office	**36 new**	The company's downtown call center continues to grow, recently, adding 36 new positions.
Bell's Brewery	Advanced Manufacturing/ Food	**65 new**	Bell's Brewery is investing more than $50 million and adding 65 jobs in their Kalamazoo and Galesburg locations.
Benteler Automotive Group	Advanced Manufacturing/ Automotive	**105 retained**	The company added 30 engineers as it consolidated its engineering operations to its Galesburg location. In addition, the company received property tax abatement (P.A. 198) approval from Comstock Township, reduced utilities output to receive energy efficiency incentives from Consumers Energy, and will be making a $13 million investment on new equipment at their Galesburg facility that will result in the retention of 75 jobs.
Grand Elk Railroad	Logistics	**43 new**	Grand Elk Railroad purchased the Norfolk Southern line between Grand Rapids and Elkhart, Indiana providing north/south support to all Kalamazoo businesses. It has located its headquarters at 75 Mills Street and is creating more than 40 jobs.

Job Announcements 2010 (con't)

Company	Industry	Jobs Announced	2010 Announcement
Incumbent Worker Funds from Michigan Department of Labor & Economic Growth	Advanced Manufacturing/ Other	**356 retained**	We were able to gain access to these grants for the following companies to retain 356 jobs spread amongst the group: Accro-Seal (2); Alliant Healthcare (35); Humphrey Products (109); Isringhausen (9); Kingscott Associates (21); Landscape Forms (50); PulverDryer (7); Schupan & Sons (51) and Weber Specialties (72).
J. Rettenmaier	Advanced Manufacturing/ Food	**5 retained**	The company is consolidating operations between its Portage and Schoolcraft facilities, enabling the Portage facility to become its North American R&D, proto-typing and short-run headquarters. The Schoolcraft facility will be making an investment of building modifications and equipment.
Jirgens Tool	Advanced Manufacturing	**1 new** **4 retained**	One job was created and four retained in an effort to grow the company using LEAN principles.
LYNX Network Group	Other	**40 new**	LYNX received a $33.3 million federal grant to fund a 955-mile fiber-optic network across Michigan as part of the REACH-3MC Collaborative. The public-private partnership will improve broadband offerings for underserved communities in Michigan. The company is constructing its remote command center in Kalamazoo and creating 40 jobs.
MANN+ HUMMEL	Logistics	**10 new**	The Portage-based manufacturer of plastic intake-manifolds, air-filter housings and air-induction systems, added 10 new jobs and leased 67,000 square feet in Midlink Business Park.
Micro Machine Company	Medical Device	**17 new**	The leading manufacturer of orthopedic and spinal instruments, tools and implants, added 17 jobs as it accelerates the expansion of the company's production, marketing and sales capabilities to offer a broader product line and to serve a more diverse customer base.

Job Announcements 2010 (con't)

Company	Industry	Jobs Announced	2010 Announcement
OneWest Bank	Back Office	**165 new** **200 retained**	Their newly expanded and remodeled facility will retain several hundred jobs and add over 100 new employees to their team.
Parker Aerospace Hydraulic Systems Division	Advanced Manufacturing/ Aerospace	**608 retained**	The Michigan Economic Growth Authority (MEGA) awarded the company a retention employment tax credit for 5 years for 608 retained employees at its Kalamazoo facility. The company will invest in renovations, new machinery and equipment as it works to fill new contracts for the Boeing 787, Dreamliner, Airbus350, Canadian Regional Jet and Bombardier C-Series.
RealBio Technology	Life Science	**2 new**	This portfolio company of the Southwest Michigan First Life Science Fund added 2 positions on its staff as it begins to actively market its flagship device, the RealBio Culture System.
Seneca Medical	Logistics	**50 new**	A partnership between Southwest Michigan First and Bronson Healthcare Group recruited the Tiffin, Ohio-based logistics company to Kalamazoo. The full-service distributor of medical/surgical supplies and equipment and complementary support services acquired 10.6 acres of land in Midlink Business Park and constructed an 80,000-square-foot distribution facility to support services to Bronson and other health care providers in the Midwest.
Single Source Procurement	Logistics	**1 new**	This specialized provider of purchasing and sourcing services to clients of the Southwest Michigan Innovation Center will use funds obtained from the Michigan Strategic Fund to hire a former Pfizer employee.
Team Support Services	Other/Life Science	**40 new**	This life science records management company started 2010 with a small single office and one customer. It has expanded to 120,000 square feet with global operations.