

**KALAMAZOO COUNTY ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING**

MEETING DATE: Thursday, April 25, 2019
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, 207a
TIME: ~ 4:00 - After BRA Regular and Annual Meetings

ANNUAL MEETING AGENDA

1. Call to Order
2. Members Excused
3. Approval of the Agenda
4. Approval of Minutes:
 - a. EDC Minutes of Annual Meeting of April 26, 2018
5. Citizens Comments (4 minutes each / Please state name and address)
6. Election of Officers – to serve through April 23, 2020
 - a. **Slate**
 - i. Chair – Andy Wenzel
 - ii. Vice Chair – Ken Peregón
 - iii. Secretary – Christopher Carew
 - iv. Treasurer – Gary Barton
 - b. **Other nominations**
 - c. **Close nominations** – Any seat with more than one nomination will call for a secret ballot
 - d. **Cast Ballots**
7. Discussion and/or Action Calendar
 - a. **Action:** Approve Meeting Calendar for 2020
Annual and Business Meeting Thursday, April 23, 2020, immediately following KCBRA meeting that will be scheduled for 4:00 p.m.
Additional meetings in 2020 will be as needed.
 - b. **Action:** EDC Bylaws
8. Staff Update
 - a. Hark Orchids update
9. Other
10. Board Member Comments
11. Adjournment

Next Meeting: April 23, 2020 (Room 207a, County Admin. Bldg)
PLEASE CALL 384-8305 OR EMAIL RAGROV@KALCOUNTY.COM
IF YOU ARE UNABLE TO ATTEND THE MEETING

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BOARD OF DIRECTORS MEETING**

MEETING DATE: Thursday, April 26, 2018
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, 207a
TIME: After BRA Regular and Annual Meetings

ANNUAL MEETING MINUTES

Present: Joe Agostinelli, Connie Ferguson, Travis Grimwood, Julie Rogers, Andy Wenzel, Douglas Milburn, Chris Carew, Ken Peregou

Members Excused: Jim Spurr, Habib Mandwee, Jodi Milks

Staff: Lotta Jarnefelt, Rachael Grover

Consultant: Jeff Hawkins

Recording Secretary: Rachael Grover

Community: Commissioner McGraw

1. Chair Wenzel called the meeting to Order at 5:27 p.m.
2. Members Excused: Spurr, Mandwee, and Milks
3. Approval of the Agenda: **Agostinelli moved and Grimwood seconded the approval of the Agenda. Motion Carried.**
4. Approval of Minutes: **Agostinelli moved and Peregou seconded the approval of both the April 27, 2017 Annual meeting minutes and the EDC Special meeting minutes of February 22, 2018. Motion Carried.**
5. Citizens Comments: None
6. Discussion and/or Action Calendar
 - a. **Election of Officers – Slate**
 - i. Chair – Andy Wenzel
 - ii. Vice Chair – Ken Peregou
 - iii. Secretary – Christopher Carew
 - iv. Treasurer – Christopher Carew

Grimwood nominated the Slate of Officers as presented and Rogers supported the nominations. Chair Wenzel asked for any additional nominations.

Agostinelli motioned to close nominations and cast a unanimous ballot for the Slate of Officers nominated. Motion supported by Rogers. Motion carried.

7. Staff Update
 - a. Hark Orchids Update – Jarnefelt provided an update. Hark Orchids has met job requirements of original loan and the loan has now converted to a grant and does not need to be repaid. They still have some additional requirements for the State of Michigan and will be reporting to the County for a few more years.

Rogers commented favorably about the private/public partnership that came together for the Hark Orchids project and expressed disappointment that the program is no longer available for other projects.

Wenzel added there can still be a use for the EDC to assist with future projects and with keeping informed of State of Michigan Economic Development initiatives or policies. This Board can look for ways to help things happen in our area.

8. Other

Jarnefelt noted Jhamin LLC withdrew the application for the MDEQ Loan.

9. Board Member Comments

10. Adjournment at 5:40

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KALAMAZOO COUNTY GOVERNMENT

In the Pursuit of Extraordinary Governance...

MEMORANDUM

Date: February 22, 2019
To: Kalamazoo County Board of Commissioners and County Administration
(by email and in Commissioner mailboxes)
From: Lotta Jarnefelt, Director, Planning & Development Department
Re: 2019 Annual Status Report on Hark Orchids

The Planning & Development Department is tasked with monitoring the annual reporting that is part of the Forgivable Commercial Term Note with Hark Orchids in Midlink Business Park in Comstock Township. Frank Rinderspacher from Hark Orchids has provided the enclosed report.

In June of 2012, the County Board of Commissioners approved a loan for \$250,000 to Hark Orchids as part of the County Economic Development Fund Program. This loan/grant was the last one given out by the Economic Development Fund Program, which was dismantled at the end of 2012. The loan was to be converted to a grant upon the hiring of 80 qualified new jobs by June 30, 2017. Hark Orchids has met the jobs requirement. A review and opinion by outside legal counsel on March 12, 2018, states that the loan has been deemed to have been a grant, subject to the repayment provisions in the Forgivable Commercial Term Note, and all principal and accrued and unpaid interest on the Loan shall be automatically forgiven, without need for further action on the part of the County.

There are still other requirements outlined in the Note that stay in effect. If within 10 years from the execution date of this agreement (on or before October 22, 2022) 25% of workforce or operations are moved outside of Kalamazoo County or Hark Orchids fails to maintain them, the loan has to be repaid back with interest within 30 days as outlined in the Note.

Therefore, a status report of the Hark Orchids Company will be presented to the County Board of Commissioners annually until the October 22, 2022 deadline, either as a memo or a presentation. The report includes the number of qualified new jobs created, education level of the work force, average wage and total investments made.

At this point Hark is meeting the requirements in the Note with a workforce of 97 as of Q1 of 2019 (minimum required to meet MEDC and County milestone by June 30, 2017 was 80). Average wage is reported as \$12.30 (excluding management).

Southwest Michigan First reports that Hark Orchids has met the MEDC milestones and is in the MEDC's monitoring stage through September 2019. MEDC approved Hark Orchid's last report on October 10, 2018. The next MEDC report will occur at the end of 2019 and will potentially be the final report to MEDC if approved.

The Hark Orchids report of February 18, 2019 to the BOC is enclosed. Please contact Lisa Henthorn (269) 383-8901 should you need additional information.

Hark Orchids, LP
 5301 Park Circle Court
 Kalamazoo, MI 49048

Project Summary: As of 2/18/19

Qualified New Job Creation: Period Ending	2013				2014				2015				2016				2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Full Time Equivalent Employment	1	1	34.5	39.5	45.5	49.5	51.5	46.5	42	41	42	52	64	69	89.5	76.5	82	93	91.5	92	91	97	88	96.5	97			
Job Creation Quarter over Quarter		0	33.5	5	6	4	2	-5	-4.5	-1	1	10	12	5	20.5	0	5.5	11	-1.5	0	-1	6	-9	8.5	0.5			

Education Level of Workforce

High School	78
Certifications	5
College	11
Associate Degree	4
Bachelors Degree	2
Masters Degree	1

Average Wage (Excluding Management)	\$ 12.30
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Investment	
Land & Building	\$6,278,590
Equipment	\$1,410,419
Total	\$7,689,009