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CITY OF KALAMAZOO  
LOCAL DEVELOPMENT FINANCE AUTHORITY  
Wednesday, August 11, 2004 - 7:30 a.m. • Southwest Michigan Innovation Center

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MEMBERS PRESENT: Richard Barron; Grady Biby\*\*; Sandra Cochrane; Michael Collins; Kenneth Harnden; Laura Kayser; Jim Marquardt; Bob Miller\*

MEMBERS ABSENT: Jerri Barnett-Moore; Alexander Lee

CITY COMMISSIONERS/CITY STAFF/CITIZENS PRESENT: Jerome Kisscorni (Assistant City Manager); John Kneas (Assistant City Attorney); Tonya Sloan (Administrative Secretary)

Meeting was called to order at 7:35 a.m. by Chairperson Collins

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**APPROVAL OF AGENDA:** Mr. Collins indicated that an item authorizing the expenditure of WMU marketing funds should be added to the agenda. Mr. Barron moved approval of the agenda as amended; supported by Ms. Kayser. Motion approved by voice vote unanimously.

**ELECTION OF BOARD OFFICERS:** Mr. Kisscorni stated that the Executive Committee proposes that the current slate of board officers be reappointed. This would involve the continuation of Mr. Collins as chair, Ms. Barnett-Moore as vice-chair, and Ms. Kayser as secretary/treasurer. Mr. Barron moved approval of the officers as proposed; supported by Ms. Cochrane. Motion approved by voice vote unanimously.

\* Mr. Miller joined the meeting at 7:37 a.m.

**CONFLICT OF INTEREST POLICY:** Mr. Kisscorni distributed the annual acknowledgement of the policy to the board members for signature.

**APPROVAL OF THE MINUTES OF MAY 12, 2004:** Mr. Marquardt moved approval of the minutes; supported by Mr. Miller. Motion approved by voice vote unanimously.

**APPROVAL OF FINANCIAL STATEMENT FOR PERIOD ENDING JUNE 30, 2004:** Mr. Kisscorni outlined the details of the statement. Ms. Kayser moved approval of the statement; supported by Mr. Marquardt. Motion approved by voice vote unanimously.

#### NEW BUSINESS

**SMIC LEGISLATION:** Mr. Kisscorni stated that legislation has been approved which exempts the Innovation Center from real and personal property taxes. If implemented, the LDFA would lose approximately 30% of its revenue. The City Manager's Office will be discussing the implications of this with Barry Broome.

\*\* Mr. Biby joined the meeting at 7:46 a.m.

**AMENDMENT OF SMARTZONE GRANT BUDGET:** Ms. Cochrane indicated that she is seeking the ability to amend the SmartZone grant budget. The grant ends at the end of next month and they will not be able to spend all of the money as it is allocated. The money will be lost if it is not spent. There are areas where those funds could be utilized, and she would like to amend the budget to shift the funds to

those areas. Mr. Marquardt moved approval of the budget amendment; supported by Mr. Miller. Motion approved by voice vote unanimously.

**AUTHORIZATION OF EXPENDITURE OF MARKETING FUNDS:** Mr. Miller stated that the university would like to draw down \$4,370 to place a full-page ad in the Michigan Business Report. The ad would appear in an issue featuring SmartZones, and Kalamazoo will be covered. Ms. Cochrane moved approval of the expenditure; supported by Mr. Barron. Motion approved by roll call vote unanimously.

## COMMUNICATIONS & ANNOUNCEMENTS

**RESIGNATION OF BARBARA GORDON:** Mr. Collins indicated that Ms. Gordon has resigned from the board due to her relocation out of the area. There are no applications for board membership on file. The board asked that a letter of appreciation be sent to Ms. Gordon.

**UPDATE ON SMIC:** Ms. Cochrane reported that the SMIC is at 88% capacity. There are over 80 people working in the center now, and over 10,000 people have attended networking events. She is working with four companies interested in locating in the center, and if all of them pan out the center will be full. Mr. Miller noted that the Innovation Center began in McCracken Hall, and Esperion did not move to the BTR Park when the new center was opened. They have been very successful, however, and were recently acquired by Pfizer. They are an Innovation Center success story.

**UPDATE ON BTR PARK ACTIVITIES:** Mr. Miller reported that the proposed fiber optic project is on hold because WMU's budget issues would make it difficult to wait for a 3-year payback from the LDFA and there were relatively few companies interested in taking advantage of the opportunity. A new tenant, DLZ, has moved into the Granite Park building. SPX will build a technology design center in the Pro Line building. He is presenting an option agreement on Monday to a developer interested in the northeast corner parcel, and he hopes to announce another project by the end of September. If both of those projects come to fruition, the park will be 85% occupied.

## DIRECTORS' COMMENTS

Mr. Collins distributed to the board members a letter that he had received from City Manager DiGiovanni regarding budget challenges.

Mr. Miller stated that Richard-Allan has grown from 120 to 180 employees since they moved to the park. It is important to realize that we are not just attracting new companies; the ones that are here are flourishing also. Mr. Harnden indicated that when the company was acquired by Apogent, synergies were identified and a portion of the company is moving to Kalamazoo because Richard-Allan is located in the park. If they had still been located in the Gibson Building, they would be moving to Pennsylvania.

Mr. Marquardt moved adjournment of the meeting at 8:44 a.m.; supported by Mr. Harnden. Motion approved by voice vote unanimously.

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Tonya Sloan, Recording Secretary

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Michael Collins, Chairperson