
CITY OF KALAMAZOO
LOCAL DEVELOPMENT FINANCE AUTHORITY
Wednesday, April 13, 2005 - 7:30 a.m. • Southwest Michigan Innovation Center

MEMBERS PRESENT: Richard Barron; Grady Biby; Sandra Cochrane; Michael Collins; Cindy Douglas; Laura Kayser; Alexander Lee; Jim Marquardt; Bob Miller

MEMBERS ABSENT: Jerri Barnett-Moore; Kenneth Harnden

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

Meeting was called to order at 7:30 a.m. by Chairperson Collins

APPROVAL OF AGENDA: Mr. Kisscorni indicated that he would like to add Appointment of New Board Member to the agenda under New Business. **Mr. Marquardt moved approval of the agenda as amended; supported by Mr. Miller. Motion approved by voice vote unanimously.**

APPROVAL OF THE MINUTES OF NOVEMBER 10, 2004: Ms. Kayser moved approval of the minutes; supported by Mr. Biby. Motion approved by voice vote unanimously.

APPROVAL OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING DECEMBER 31, 2004: Mr. Kisscorni outlined the activity during the period. **Mr. Miller moved approval of the financial statements; supported by Ms. Cochrane. Motion approved by voice vote unanimously.**

NEW BUSINESS

SMIC – TAX EXEMPT STATUS: Mr. Collins indicated that Doug Morton, CEO of the Southwest Michigan Innovation Center (SMIC), is present to give a financial overview presentation regarding SMIC. Mr. Morton outlined the anticipated 2004 budget and the actual expenses incurred in 2004. Southwest Michigan First is covering SMIC's losses up to a certain cap. He discussed how the revenue gap will be filled and outlined the need for additional capital projects. The bottom line is that continued LDFA support is critical. Board members acknowledged that the success of SMIC is important. They discussed the possibility of seeking recovery for certain costs from the contractors who worked on the building, driving costs down, and raising the rent charged by SMIC. It was suggested that Mr. Morton go over the budget projections with the board in the fourth quarter of each year, and if SMIC reaches a revenue-neutral level, the issue of LDFA support or the tax exemption be revisited.

APPROVAL OF THE REVISED 2005 LDFA BUDGET: Mr. Kisscorni outlined the revised budget and discussed what has changed as a result of the SMIC tax exemption. He indicated that the board should recommend that the City Commission approve the revised budget. **Ms. Kayser moved that**

the board recommend that the City Commission approve the revised 2005 LDFA budget; supported by Mr. Barron. Motion approved by roll call vote unanimously.

REAPPOINTMENT OF BOARD MEMBERS: Mr. Collins indicated that the terms for himself and Mr. Biby have expired. Both are willing to continue serving on the board. Mr. Miller moved that Mr. Collins and Mr. Biby be reappointed to the board; supported by Ms. Cochrane. Motion approved by voice vote unanimously.

APPOINTMENT OF NEW BOARD MEMBER: Mr. Kisscorni stated that an application for appointment to the board has been received from Ann Paulson, who lives in the neighborhood adjacent to the park. Mr. Miller noted that she is also a member of the Parkview Hills Community Association, which would give this board more connection with the Parkview neighborhood. Mr. Barron moved that Ms. Paulson be appointed to the board; supported by Mr. Miller. Motion approved by voice vote unanimously.

COMMUNICATIONS & ANNOUNCEMENTS

UPDATE ON SMIC: Ms. Cochrane reported that two new clients are moving in, which will leave only about 1,500 square feet of unbuilt space. The clients are all doing very well and she is beginning to talk to some of them about graduation.

UPDATE ON BTR PARK ACTIVITIES: Mr. Miller indicated that Tekna will be building a new 24,000 square-foot facility in the park. Groundbreaking is anticipated in May. Stryker's Interventional Pain R&D department will be moving into the Granite Park building. The quarterly BTR Park partners meeting will be held next week, where the partners will meet the new dean of the College of Engineering. The marketing CD will be rolled out soon, and a copy will be given to each of the board members.

Ms. Douglas noted that the Governor will give an award to Kalamazoo's SmartZone on May 17.

Ms. Cochrane moved adjournment of the meeting at 9:02 a.m.; supported by Mr. Biby. Motion approved by voice vote unanimously.

Tonya Sloan, Recording Secretary

Michael Collins, Chairperson