

**City of Sault Ste. Marie
ECONOMIC DEVELOPMENT CORPORATION
Minutes of the Board of Directors Meeting
August 8, 2017**

1. Call to Order

Chair Worley called the meeting to order with the time being 12:09 p.m.

2. Roll Call

Members Present: Dan Dasho Tom Veum Dr. Rachael McCoy
 Steve Glezen Bob Mattson Gwen Worley

Members Absent: Doug Welton Kelley Bunker Jim Devaprasad

Staff Present: Jeff Holt Tracey Laitinen

Also Present: Oliver Turner, City Manager
 Jeff Hagan, EUP Regional Planning & Development
 Sharon Houghton, MI Works IS Upward
 Tony Haller, Sault Area Chamber of Commerce
 Ray Bauer, City Commission Liaison

It was moved by Veum, supported by Mattson to excuse those that were absent. The motion carried unanimously.

3. Agenda: Changes, Additions, or Deletions

None

4. Matters presented by the Public

Hagan recapped and thanked Holt for presenting at a recent EDO quarterly board meeting. Holt gave an update on current projects to a good cross section on representatives from across the Upper Peninsula. Worley agreed that this was a great way to share information with neighboring communities.

5. Approval of Minutes

It was moved by McCoy, supported by Dasho to accept the July 11, 2017 minutes. The motion carried unanimously.

6. Approval of Financial Report & Check Detail

Profit & Loss, Balance Sheet and Check Detail were submitted. Holt reported that we are now in a new fiscal year.

It was moved by Veum, supported by McCoy to accept the financial report as presented. The motion carried unanimously.

7. Accepted donated items from SSMart to EDC

Holt reported that SSMart (Eric Becks) had moved into Considine Hall at LSSU and was no longer operating out of the Smartzone facility. In doing so, Eric moved his equipment, servers and computers to his new office and wanted all remaining furniture and equipment left at the Smartzone for EDC and tenant use. In

reviewing the list handed out at a recent Smartzone meeting, Holt noted that Eric's purchase price was \$83,910.32 with a depreciated value of \$42,305.16. Dasho inquired about the EDC's future financial obligation regarding these items. Holt reported that as long as the furniture and equipment are being used for the original intent and remain in the building, the EDC is compliant. Worley would like to see inventory done noting SSmart's donation versus EDC inventory. Laitinen will talk to Kim Wilcox at EUP Regional Planning for more information. Dasho also inquired as to what other equipment was in the building that wasn't EDC owned. Holt noted that LSSU and WMH both have quite a bit of tables, chairs and equipment that will go with them when they move out.

It was moved by Glezen, supported by McCoy to accept the donated furniture and equipment from SSmart. The motion carried unanimously.

8. Events – media attached

- A. Holt reported on U.S. Coast Guard Day on August 4th at Sherman Park. Holt and other dignitaries put on a bbq for guests and unveiled the USCG business vinyl partnership program.
- B. Airport Open House & Movie in a Hangar will be Friday, Sept. 29th starting at 6pm. New partners include City Police Dept and City Fire Dept/Ambulance, USCG and US Customs & Border Patrol. Tickets are just \$5.00 at the door or online.
- C. Fall Color Tours will be the following day, Sept 30th 8am to 1pm or October 1st if it rains. Tickets are just \$25/person. Soo Pilots uses funds raised to support the flying school scholarship program.
- D. Manufacturing Excellence Summit will be held on October 3rd. Laitinen passed around programs. Speakers are Dr. Reattoir, the Dept. of Talent & Economic Development and Chuck Hadden of MI Manufacturers Association. Save the date postcards were sent out last week for online registration.
- E. Holt noted that the EDC will be working to reinvigorate the previous manufacturer's alliance with a lunch and learn to be held in September. Worley noted that bringing in Sault High CTE instructors and local colleges may be helpful to discuss opportunities.

9. Projects

- A. Holt reported that the EDC was asked to put together an RFP for the carbide dock along with the City manager and other City departments.
- B. Holt noted that the former weather station had been purchased and the new developer was looking to purchase the adjacent Lot #20R in collaboration with CREAD. Any purchase of Air Industrial Park property will need to have a development timeline. Turner noted that the weather station parcel will need rezoning from residential. Holt also reported that there has been interest in Lot #18 for market rate housing and a EUP Transportation Authority complex. Worley brought up the JKL Bahweting bus garage expansion, but it was noted that was now under construction.
- C. Holt reported that the concierge program was still doing well including initiating a recent meeting of the coal dock in Algonquin. Holt had a meeting last week and it was learned that they are not interested in selling, but are talking to marine entities about development opportunities. Laitinen noted that legislators were at the Soo Locks on July 18th and she was able to get materials to all visitors. Positive feedback was received from our guests.
- D. Holt reported that the PFC Overlay project was going well and that the crews started at 7am on Monday. 7&4 News was up and interviewed Holt and Tom Brown and then 9&10 News picked up the story as well.
- E. Capital Improvement Projects were discussed noting that the EDC's next goals after the overlay will be the Incubator office renovation, AIP marketing and terminal renovation.

10. Director Holt's Report

- A. Sky magazine will be doing a feature story on the U.P. in December. The EDC and Airport will be participating.
- B. SIS is still waiting on the Canadian dollar and Essar Steele.
- C. Aeromed is pending.
- D. Dusty Rock – no update as they are in the negotiation phase.
- E. U.S. Army Corps of Engineers meeting at City Hall to discuss hosting a mini Construction Summit for general and sub-contractors that may be part of the future potential locks project. The feasibility study should be done by the end of the year. Turner noted that our community needs to be prepared if the project moves forward including economic development, education and housing to maximize the opportunity. Holt noted that the Corps would want year round operations with 200 employees on site every day.
- F. Met with Amy Berglund, MEDC to discuss changes in programming and funding for smaller manufacturers. Jen Nelson has resigned and moved to Business Leaders of MI.
- G. EDO meeting 8.14.17 in Marquette to meet with the UP EDO group. Haller noted that Mahaney would be a keynote speaker at the Chamber's Economic Luncheon on 10.25.17.
- H. Holt will be attending the MEDA conference in Holland August 16-18.
- I. Met w Mackinac Economic Alliance new director Alex Iseri.
- J. Upcoming audit – Laitinen is working on prep for Anderson Tackman
- K. Smartzone is a polling location today, slow voter turnout, but it is an opportunity for the public to have tours
- L. Carpets were cleaned in each office and common areas
- M. Holt was interviewed by the Sault Tribe News, story has not come out yet
- N. Attended several ribbon cuttings on Portage and Easterday
- O. Current small office space available for start ups
- P. New City Commissioner orientation next week for Greg Collins 8.15.17
- Q. LSSU President Mitchell stopped in for a Smartzone tour. McCoy inquired about LSSU Sim and WMH moving downtown but there was no update at this time.
- R. Mayco verbally extended their lease for the 5th year ending 8.30.18 at the Incubator.


11. Other Matters

Holt reported that Alex has been updating the website once again and that headshots and bios were needed from the entire group to make it look the best it could be. In keeping things uniform, other headshots and bios were removed.

Worley noted that she had an opportunity to talk to employers and the concern was that they are not able to find skilled or unskilled labor. Barriers included drug testing and poor work ethic. Worley had an example of a company that could not bid on a job because they did not have the appropriate labor force. Discussions need to continue and more work needs to be done on gathering insight, as well as the courts. McCoy described their most recent hiring struggle trying to find staff that was willing to go without their phones all day. Glezen concurred noting that his company had been advertising in Marquette and downstate and still wasn't able to fill positions.

12. Adjournment

It was moved by McCoy, supported by Veum to adjourn the meeting at 1:12 pm. The motion carried unanimously.



Dan Dasho, Secretary