

1. 8:00 A.M. February Packet

Documents:

[FEBRUARY PACKET.PDF](#)

**AGENDA**

**GRAND TRAVERSE ECONOMIC DEVELOPMENT CORPORATION  
THURSDAY, FEBRUARY 14, 2019 – 8:00 a.m.**

Governmental Center, 2<sup>nd</sup> Floor Commission Chambers  
400 Boardman, Traverse City, MI 49684

General Meeting Policies:

- ❖ Please turn off all cell phones or switch them to silent mode.
- ❖ Any person may make a video, audio or other record of this meeting. Standing equipment, cords, or portable microphones must be located so as not to block audience view.

If you need auxiliary aid assistance, contact 231-922-4760.

**1. CALL TO ORDER:**

**2. PLEDGE OF ALLEGIANCE**

**3. PUBLIC COMMENT/INPUT**

Any person shall be permitted to address a meeting of the Economic Development Corporation, which is required to be open to the public under the provisions of the Michigan Open Meetings Act, as amended. (MCLA 15.261, et. seq.) Public comment shall be carried out in accordance with the following County Board Rules and Procedures:

- Any person wishing to address the Corporation Board shall state his or her name and address.
- Persons may address the Corporation Board on matters, which are relevant to county government issues.
- No person shall be allowed to speak more than once on the same matter, excluding time *needed* to answer Corporation Board questions. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed three (3) minutes; except as follows:
  - › Chairperson may at his or her discretion, extend the amount of time any person is allowed to speak.
  - › Whenever a group wishes to address the Authority, the Chairperson may require that the group designate a spokesperson; the Chairperson shall control the amount of time the spokesperson shall be allowed to speak, which shall not exceed fifteen (15) minutes.

**4. APPROVAL OF AGENDA**

**5. ORDER OF BUSINESS:**

- a. Approval of minutes from January 10, 2019 .....

**6. REPORTS/ACTION ITEMS:**

- a. Discussion of funding for the EDO Consultant
  - 1) Action Item – Vote to approve EDC funding of up to \$25,000 to help fund the EDO consultant contract (to be held by TraverseCONNECT)
- b. EDC Loan Agreements; Default; Collection; Request for Legal Services .....
- 1) Memo from Chris Forsyth .....
- 2) Engagement Letter (Olson, Bzdok & Howard) .....
- 3) Action Item – Request for Legal Services
- c. Discuss the potential for future ongoing funding of the EDO from the EDC.
  - 1) Specific discussion around the need for EDC to only contract for services rendered (not a contribution or donation).
  - 2) Funding mechanics, stipulations, and parameters to be outlined by County Finance Director and Deputy County Administrator.

**7. OTHER BUSINESS:**

**8. OLD BUSINESS:**

**9. SECOND PUBLIC COMMENT (Refer to Rules under Public Comment/Input above.)**

**10. NOTICES**

**11. ADJOURNMENT**

**GRAND TRAVERSE COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
January 10, 2019**

**CALL TO ORDER**

Chairman Call called the meeting to order at 8:02 a.m. in the Commission Chambers located on the second floor of the Governmental Center and led the pledge of allegiance.

**MEMBERS PRESENT**

Warren Call, Kevin Klein, Nate Alger, Marty Colburn, Keef Morgan, Sonny Wheelock, Richard Lewis, Michael Naughton, Marty Coburn, Jessica Sullivan (8:20), Dennis Arouca (via phone)

**PUBLIC COMMENT** None.

**Approval of Agenda**

**MOVED** by Naughton, seconded by Wheelock to approve the agenda as presented. **APPROVED UNANIMOUSLY.**

**APPROVAL OF MINUTES:**

**MOVED** by Klein, seconded by Alger to approve the minutes of 11-8-2018 as distributed. **APPROVED UNANIMOUSLY.**

**REPORTS / ACTION ITEMS**

1. Rural Broad Band ReConnect

Arouca presented information received from Jason Allen, regarding the opportunity for grant funding of rural broadband. Discussion continued regarding how EDC might be engaged to facilitate involvement.

Alger will reach out to both Cherryland and Light & Power.

Klein suggested that this could be one of the tools that could be on the web site .

2. Strategic Planning

Call discussed the strategic planning in December of 2017 and how well this worked to keep the group focused for 2018 and moving forward. Is it time to look at next step?

Chris Forsyth presented information regarding what the EDC has statutory powers to do which affects how we go forward. The EDO will be a non-profit and will not have those powers. Determination that this may be a premature question and perhaps the consultant will be able to assist in answering outstanding questions. The EDC may continue and would have fiscal and fiduciary responsibility. An EDO may not be able to do that. Also, suggested was that a strategic plan should be for a longer term than one year.

3. EDO Update - presented by Sullivan

The RFP committee was put in charge of going out and meeting with consultants. On December 21<sup>st</sup> we met with all four consultants. In general, all who provided proposals have the knowledge and capabilities to complete the task. Warren and Jessica will have follow-up conversations with the top 2 candidates. The proposals were between \$50,000-90,000. Funding was also discussed and the city and county would not be expected /anticipated to input significant funding.

TraverseCONNECT will hold the contract. Under their direction we would ask the City Manager and County Administrator to serve on the Board and identify key stakeholders in the community. This would be about a 7 member board and although the EDO would be private

sector driven, it is important to realize everyone needs a seat at the table. Nate suggested meeting with the townships and/or Northern Nexus and will share their contact information and meeting dates.

### **OTHER BUSINESS**

The meeting schedule for 2019 was discussed and will continue on the 2<sup>nd</sup> Thursday of the month @ 8:00 a.m..

### **OLD BUSINESS**

Arouca reminded the board to consider 20 Fathoms Sponsorship. Naughton and Call are on the board so abstained.

A motion to have the vice chair execute an agreement not to exceed \$3000 for 1 year only was proposed by Richard Lewis. Additional discussion continued and Richard withdrew his motion.

Call out at 8:50.  
Lewis out at 8:50

Arouca will follow up with 20 fathoms and ask they expand the definition of what will be offered at the different membership levels.

### **PUBLIC COMMENT** None.

Alger questioned the status of Mr. Chauncey Kelly and Jessica will follow up with Christian.

Wheelock announced the Northwest Orchard and Vineyard Show next Tuesday and Wednesday at the Grand Traverse Resort.

Klein commented on the number of passengers through the airport last year and flights being added.

Coburn indicated they are currently working on an expansion that will bring in 60 industrial jobs to the area.

Keef Morgan is excited to be a member of the board and community.

### **ADJOURNMENT** Meeting was adjourned at 8:59 a.m..



**GRAND TRAVERSE COUNTY  
ADMINISTRATION/BOARD OF COMMISSIONERS**

400 BOARDMAN AVENUE  
TRAVERSE CITY, MI 49684-2577

ADMINISTRATION  
BOARD OF COMMISSIONERS  
FAX

231/922-4780  
231/922-4797  
231/922-4636

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**MEMORANDUM**

TO: EDC Board

FROM: Chris Forsyth, Deputy Administrator

FOR MEETING DATE: 2-14-19

RE: EDC Loan Agreements; Default; Collection;  
Request for Legal Services

As you know, the EDC has made several loans to local businesses out of the revolving loan fund that is administered by the EDC. Finance Director Dean Bott and I have identified four local businesses that received such loans and have not made payments as required. Please note that Dean and I at this point are still attempting to locate all the loan agreements but through a review of EDC and Finance Department records, we know that the following businesses are in default:

1. 45th Parallel Furniture
2. ACRA Phenolic, Inc.
3. Converged Solutions LLC
4. Peninsula Wholesale, Inc.

Because all of the agreements have not been located, I cannot give this Board an exact amount of what is owed. However, we estimate that the amounts are significant and the EDC should consider retaining counsel to provide guidance on collecting outstanding debt. Ross Hammersley with Olson Bzdok and Howard drafted some of the loan agreements, so I am recommending that the EDC retain him to provide a legal opinion. Mr. Bott and I should have more information for you at the meeting.



February 7, 2019

GRAND TRAVERSE COUNTY ECONOMIC  
DEVELOPMENT CORPORATION  
c/o Chris Forsyth  
400 Boardman Avenue  
Traverse City, MI 49684

*Via Email: [cforsyth@grandtraverse.org](mailto:cforsyth@grandtraverse.org)*

RE: Engagement Letter  
Our File No. 5797.00

Dear Chris:

The purpose of this letter is to set forth our mutual understanding of the terms and conditions under which the GRAND TRAVERSE COUNTY ECONOMIC DEVELOPMENT CORPORATION (EDC or Client) retains the law firm of OLSON, BZDOK & HOWARD, PC (the Law Firm) to perform legal services.

1. The Law Firm agrees to represent the EDC with respect to reviewing previous loan documents, investigating, and advising you on options related to the potential collection of outstanding loan payments due to the EDC. In connection with those services, we owe you a duty to preserve your confidences and secrets that we acquire, and to exercise our independent professional judgment on your behalf. I will have primary responsibility for this matter.
2. The Law Firm will bill you at our discounted rate of \$165.00 per hour for my time spent rendering the legal services requested, plus ordinary expenses at cost. If other assistance is needed from an associate, that will be billed at \$140 per hour. At the conclusion of each month, we will send you a detailed statement via email describing the legal services and expenses incurred.
3. You agree to pay the Law Firm for all fees and expenses charged, within 30 days of receiving a statement. If you do not make timely payments, we will apply a finance charge at an annual percentage rate of 7% with a minimum finance charge of \$5.00 per monthly billing cycle.
4. Since we have previously worked for the EDC, no retainer is needed.
5. It is our firm's policy to provide clients with copies of all substantive correspondence and documents regarding their file. We feel this kind of information keeps the client continually informed of the status of ongoing work, and usually saves the expense of scheduling additional office meetings, telephone conferences, and/or preparing separate written status reports. We will provide you electronic copies of most documents, saving paper, postage, and time to keep you up-to-date.
6. This agreement may be amended in writing to allow the Law Firm to provide additional services and to change the billing arrangements if that becomes necessary.

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7. The EDC understands and agrees that if the Law Firm determines that there is a need to hire consultants to assist with this representation, the Law Firm will advise the EDC accordingly. Should the EDC authorize the hiring of such consultants, the EDC will be responsible for all costs related to consultants.

8. You may terminate this engagement letter at any time upon written notice. The Law Firm may terminate this agreement for any reason allowed by the Michigan Rules of Professional Conduct. In the event of termination, you will make arrangements for prompt payment of any amounts then owing to the Law Firm.

Please review this letter carefully. If the terms meet with your approval, please sign and return this letter to our office via email; in the alternative, we can provide a hard-copy and self-addressed, postage-prepaid envelope if you'd prefer. For your convenience, here is a link to pay/deposit the initial [Retainer Payment](#). Please put "NEW CLIENT" where the form asks for an account number.

I am looking forward to working with you as soon as we receive your signature and retainer fee. If you have any further questions please feel free to contact me at any time.

Sincerely,



Ross A. Hammersley  
[ross@envlaw.com](mailto:ross@envlaw.com)

Enclosure: Schedule of Fees and Services

cc: Dean Bott (via email [dbott@grandtraverse.org](mailto:dbott@grandtraverse.org))

**I agree to the terms outlines in this engagement letter as duly authorized by and on behalf of the Grand Traverse County Economic Development Corporation at a public meeting held on \_\_\_\_\_, 2019.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_, 2019.



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## **SCHEDULE OF FEES AND SERVICES**

### **I. FEES FOR LEGAL SERVICES:**

	<u>Discounted hourly rates:</u>
James M. Olson, Partner	\$165.00
Christopher M. Bzdok, Partner	\$165.00
Scott W. Howard, Partner	\$165.00
Ross A. Hammersley, Partner	\$165.00
Rebecca L. Millican, Associate	\$140.00
Lydia Barbash-Riley, Associate	\$140.00
Bryan Langeffeffer, Managing Attorney (Frankfort Office)	\$140.00
William C. Rastetter, Of Counsel	\$165.00
Legal Assistant/Law Clerk Services	\$60.00
Regular secretarial	No charge

### **II. COSTS:**

Photocopies (per page)	\$0.20
Postage and express delivery	At Cost
Outside photocopying (i.e. large volume jobs)	At Cost
Out of plan computer research	At Cost
Mileage	At IRS Rate

### **III. SERVICES OF OTHERS:**

Occasionally the services of consultants, experts, investigators, other attorneys or support personnel may be required. The services of others will be sought and obtained with the Client's review and approval. If the Client requests it, a bidding process or request for proposals may be utilized. The cost of outside services is the responsibility of the Client.