

MICHIGAN COMMISSION OF AGRICULTURE
Constitution Hall
Sixth Floor, VanDusen Conference room
525 West Allegan Street
Lansing, Michigan 48933

MEETING MINUTES
MAY 19, 2010

PRESENT:

Todd Regis, Chairperson, Michigan Commission of Agriculture
Don Coe, Vice Chairperson, Michigan Commission of Agriculture (via teleconference)
Velmar Green, Secretary, Michigan Commission of Agriculture
Jennifer Fike, Michigan Commission of Agriculture (via teleconference)
Audrey Herioux, Michigan Commission of Agriculture (via teleconference)
Don Koivisto, Director, Michigan Department of Agriculture

CALL TO ORDER AND ROLL CALL

Chairperson Regis called the meeting of the Commission of Agriculture to order at 3:32 p.m. on May 19, 2010. Commissioner Green called the roll with Commissioners Coe, Fike, Green, Herioux, Regis, and Director Koivisto present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER HERIOUX MOVED APPROVAL OF THE MAY 19, 2010, AGENDA. SECONDED BY COMMISSIONER GREEN. MOTION CARRIED.

PUBLIC COMMENT ON AGENDA ITEM

None.

AGRICULTURE PROCESSING RENAISSANCE ZONE DESIGNATION FOR REQUEST FOODS, INC.: Mike DiBernardo, Agriculture Business Development Specialist, Agriculture Development Office

Mr. DiBernardo introduced some of the partners in the Request Foods, Inc., Agricultural Processing Renaissance Zone (APRZ) Designation process, all of whom have worked diligently to bring the project to fruition. Those introduced were Susan Novakowski from the Michigan Economic Development Corporation (MEDC), Kurt Brauer from Warner Norcross and Judd, Steve DeWitt and Merle DeWitt from Request Foods, Inc., and Don Komejan from Holland Charter Township.

Mr. DiBernardo reviewed details of the APRZ by Request Foods, Inc., for the Holland, Michigan facility. In 1989, a group of investors, led by Jack DeWitt, purchased Sara Lee's Convenience Foods Division and launched Request Foods, Inc. Today, Request is consistently ranked as a Tier One frozen food processor in volume, capabilities, and breadth of products. They are also ranked as one of the top frozen foods providers in the United States with their food service,

wholesale, and retail food chain customers. They currently operate a 375,000 square foot facility across the street from the new proposed site. Over 500 people are employed at their current facility.

Under the proposed APRZ, Request Foods will commit to creating 250 new jobs and investing \$40 million in this new 206,000 square foot facility. They will install new machinery and equipment to process, pack, refrigerate, and ship prepared food entrées and side dishes. They will also upgrade their wastewater pre-treatment system to significantly improve their capabilities. If they meet these requirements, they will receive the full 15-years of benefit from the APRZ designation. The term of the APRZ would be January 1, 2011, through December 31, 2025.

In conversations with producers, it was confirmed this facility will offer an additional opportunity to advance and grow the industry. Both Holland Township and Ottawa County have passed resolutions approving the designation of an agricultural processing renaissance zone and the full 15-year tax abatement. MEDC has reviewed and approved the project from their perspective.

It is recommended that the Michigan Commission of Agriculture approve the resolution for an Agricultural Processing Renaissance Zone application as presented. Mr. Kurt Brauer and Mr. Steve DeWitt were asked to provide additional details on the project.

Mr. Steve DeWitt expressed his gratitude to the Commission for holding this special meeting, noting it is critical to the project that construction begins soon. Request Foods is celebrating its 20th year in Michigan; however, its roots began in Ottawa County in 1937 when his grandfather began a turkey farm with his brother. They developed that into BiMar Foods, which at the time it was sold to Sara Lee, was processing 10 million turkeys per year. His father and a group of investors subsequently purchased a portion of that business from Sara Lee, building a new facility which was the birth of Request Foods.

Over the 20 years, the Request Foods facility has been expanded seven times, beginning with 130 employees and now having over 500 staff. Request Foods acquired additional significant business last year and their capacity has reached its maximum. They desire to remain a family business in Michigan and to continue with opportunities to grow. With the assistance of Mr. DiBernardo, Ms. Novakowski, and their team, remaining in Michigan became the best option for them. Request Foods is committed to at least another 20 years and the new site offers room for additional future growth.

Request Foods encompasses various processes, most of which are frozen food entrees and soups packaged under various big brand labels. They have customers across the country, as well as in Canada. They constantly promote and encourage the use of Michigan produce, and this year will spend over \$50 million with Michigan agriculture related producers and suppliers.

Mr. Brauer also expressed his appreciation to the Commission for holding this special meeting in order to keep the project on track, and he thanked Mr. DiBernardo and Ms. Novakowski for their tireless determination to assist in moving the project forward. Once this project is up and running, the 24-acre parcel will provide for future expansion (up to 400,000 square feet) and will direct additional revenue toward Michigan agriculture. This effort truly has been a partnership

with many entities involved and all have contributed to making it a success. In order to meet peak production in July 2011, the project needs to move forward as soon as possible.

In recognition of the waste water problem in the Holland area, there was a comprehensive package completed whereby Request Foods hopes to be awarded funding for the site through the Community Development Block Grant Program in order to expand their waste water treatment facility. This will significantly reduce the impact on the Holland Board of Public Works' system. In addition, they have requested a permit to fill some very marginal wetlands and replace them, in conjunction with Ottawa County Parks, with 20 acres of rehabilitated wetlands. Many good things will come from this project.

In response to inquiry from Commissioner Coe, Mr. Brauer advised that during the public hearings held in connection with the project, there was no opposition to the project; they received only support.

Commissioner Fike inquired relative to the wetlands permit. Mr. Brauer reported the Department of Natural Resources and Environment has until June 11 to make a decision on the permit, but they are hoping to receive the permit by June 1. They are the only private entity that has successfully completed multiple private wetland mitigation banks. In addition, they also accomplish a substantial amount of wetland mitigation for the Michigan Department of Transportation.

Mr. DiBernardo provided some background on the overall APRZ process. Today's proposed APRZ will be number 24 of the 30 that were appropriated by the Legislature. By statute, the Michigan Department of Agriculture (MDA) has a required responsibility in the APRZ process. Initially, the project application is approved by resolution at the township and county levels. The application is then reviewed at the MEDC and MDA levels. Following approval by the Michigan Commission of Agriculture, it is then presented to the Michigan Strategic Fund Board for approval, and the State Administration Board grants final approval of the application. In the meantime, a Development Agreement is also executed, which is a contract between MEDC and the applicant agreeing to the specific terms and conditions required to qualify for the tax abatement.

MOTION: COMMISSIONER GREEN MOVED TO SUPPORT A RESOLUTION TO APPROVE THE PROPOSED AGRICULTURAL PROCESSING RENAISSANCE ZONE DESIGNATION FOR REQUEST FOODS, INC, IN HOLLAND, MICHIGAN. COMMISSIONER HERIOUX SECONDED.

COMMISSIONER GREEN CONDUCTED A ROLL-CALL VOTE. MOTION CARRIED.

ADJOURN

MOTION: COMMISSIONER GREEN MOVED TO ADJOURN THE MEETING. COMMISSIONER FIKE SECONDED. MOTION CARRIED UNANIMOUSLY.

The meeting was adjourned at 3:48 p.m.

Attachments:

- A) *Agenda*
- B) *Memo and Application – Request Foods, Inc., Request for an Agricultural Processing Renaissance Zone*
- C) *Commission Resolution – Request Foods, Inc., Agriculture Processing Renaissance Zone Designation*