

**ACCOUNT MANAGER/INITIATOR:**

Tom Durkee is the MEDC Account Manager for this company. The application was initiated by Sharon Tiemann. There has not been a previous IDRB issued for this company.

**RECOMMENDATION:**

Adoption of a bond authorizing resolution in the amount of NTE \$2,000,000.

**DATE PRESENTED:** July 26, 2006

**STAFF PERSON:** Diane Cranmer

**BOND COUNSEL:** Varnum, Riddering, Schmidt & Howlett LLP

**EXECUTIVE SUMMARY  
MICHIGAN STRATEGIC FUND  
BOND AUTHORIZING RESOLUTION**

**APPLICANT NAME:** John A. Van Den Bosch Co./509 E. Washington Avenue LLC

**AMOUNT OF BOND ISSUE:** NTE \$2,000,000 New

**APPLICANT BACKGROUND:**

The John A. Van Den Bosch Company is a Michigan corporation started in 1932. The company consists of 44 shareholders, all of whom are second, third, or fourth generation family members of John A. Van Den Bosch, the company founder. The company is a producer and distributor of wild birdseed, pet food, deer feed, dietary supplements, attractants and other associated products. The company is located at 4511 Holland Avenue, Holland, Michigan, and employs approximately 32 employees.

**PROJECT DESCRIPTION:**

The project includes financing, refinancing or reimbursing costs of renovating an existing structure and constructing, furnishing and equipping an approximately 15,000 square foot manufacturing facility, to be located at 509 E. Washington Avenue, City of Zeeland, Ottawa County, Michigan.

**OTHER STATE AND LOCAL ASSISTANCE:**

Property tax abatement under PA 198.

**EMPLOYMENT INFORMATION:**

The starting hourly wage of the lowest paid job being created is \$9.50 per hour.

The average hourly wage of all the jobs being created is \$13.50 per hour.

The average hourly wage of all of the existing jobs at the company (site specific) is \$14.05 per hour.

The fringe benefits provided to the new hires by the company are short term disability, \$10,000 life insurance, annual bonus (profit sharing), 401(k) (safe harbor plan), and health and dental insurance.

**PUBLIC PURPOSE:**

The public purpose includes the preservation of approximately 4 full time and 1 part time manufacturing job.

**PROPOSED PLACEMENT OF THE BOND ISSUE:**

Huntington Capital Corporation will be underwriting this bond issue.

**GENERAL COMMENTS:**

This project will require allocation from the Michigan Department of Treasury.

**PROJECT BUDGET**  
**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
**ECONOMIC DEVELOPMENT INFRASTRUCTURE PROJECT**

Michigan Economic Development Corporation		2. Project Title - Outdoor Resources, Inc. Infrastructure Project			Community Development
1. Applicant - Oceana County		4. Project Funding Sources (Identify all other funding sources)			
3. Project Cost Elements		CDBG	Local	Private	TOTAL
Activities					
Grant Township Water System		\$657,000	\$73,000		\$730,000
County Bike Path		\$251,994	\$200,312		\$452,306
Fiber-Link		\$141,006	\$15,667		\$156,673
Administration/Legal		\$25,000		\$1,264,001	\$25,000
R.V. Park				\$6,000,000	\$6,000,000
Hotel				\$12,735,999	\$12,735,999
Water Park and Convention Center					
<b>TOTALS</b>		<b>\$1,075,000</b>	<b>\$288,979</b>	<b>\$20,000,000</b>	<b>\$21,363,979</b>



**COMPANY DESCRIPTION**

Outdoor Resources, Inc. (dba Double JJ Resort) is a 1,500 acre resort located in Rothbury, Michigan. The majority of the property is in Grant Township with 80 acres located in Rothbury Village. The resort includes a dude ranch with barns for guest horses and a professional rodeo arena. The resort also includes a restaurant, conference center, golf course and a development called the "Back Forty". The "Back Forty" is an old west town that serves resort guests. It contains a general store, ice cream parlor, daycare center, and arts & crafts shop. Outdoor Resources, Inc. has committed to the creation of 107 new jobs, of which 55 will be made available to, or held by, low and moderate-income persons. Outdoor Resources, Inc. will invest \$20,000,000 for resort construction.

**EVALUATION OF PROJECT**

The project was evaluated utilizing the CDBG guidelines. It has been determined that the proposed project meets the following minimum standards to qualify as an eligible project under the CDBG program:

1. **Job Creation:**  
The number of jobs to be created will revert back to the original 107 new full-time positions.
2. **Reasonable cost per job:**  
The cost per job will be \$10,047.
3. **Creation of well paying jobs:**  
The lowest starting hourly wage rate for the new employees will remain the same at \$7.00/hr.
4. **Private and public sector investment:**  
The local public sector contribution, which will be provided by Outdoor Resources, Inc., will remain at \$288,979. The private investment will remain at \$20,000,000. The leverage ratio of all other funds to CDBG funds will remain approximately the same at 12:1.
5. **Meets a national objective:**  
Outdoor Resources, Inc. has committed to making at least 55 of the 107 newly created positions available to, or held by, low and moderate-income persons. The project meets a national objective by providing benefit to at least 51 percent low and moderate-income persons.

**PROJECT BUDGET**

See Amended Attachment A.

**RECOMMENDATION**

After reviewing the County of Oceana's proposal, I have concluded that the project meets the minimum program requirements to be eligible under the CDBG program. I recommend that the name change from Double JJ Resort to Outdoor Resources, Inc. be approved.

Czarnecki Approval

Yes    Date 3/14/06

**CITY OF GREENVILLE – UNITED SOLAR ONIVAC**

**WILL BE DISTRIBUTED AT THE MSF BOARD MEETING.**



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

300 N. WASHINGTON SQ.  
LANSING, MI 48213

CUSTOMER  
CONTACT CENTER  
517 373 9808

WWW.MICHIGAN.ORG

DATE: March 14, 2006

TO: MSF Board Members and the following MEDC Employees via Board Packet:

James Epolito, Sandy Ring, John Czarnecki, Doug Voshell, and Susan Novakoski

CC: Gloria Carnicom

FROM: Lisa Green – Infrastructure Finance

SUBJECT: Community Development Block Grant Program  
County of Oceana  
Outdoor Resources, Inc. (dba Double JJ Resort) Tourism Project  
Target of Assistance Name Change

EXECUTIVE COMMITTEE  
MATTHEW P. CULLEN  
Chair  
General Motors

PHILIP H. POWER  
Vice-Chair  
HCN, Inc.

JAMES C. EPOLITO  
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RICHARD E. BLOUSE JR., CCE  
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Automotive Research

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Michigan Department of  
Labor & Economic Growth

GEORGE JACKSON JR.  
Detroit Economic Growth  
Corporation

MICHAEL J. JANDERNOA  
Bridge Street Capital  
Partners, LLC.

ROBERT B. JONES  
City of Kalamazoo

BIRGIT M. KLOHS  
The Right Place, Inc.

DR. IRVIN D. REID  
Wayne State University

DENNIS R. TOFFOLO  
Oakland County

GARY TORGOW  
Sterling Group

PETER S. WALTERS  
Guardian Industries Corp.

Legislative Information:

Senator: Gerald Van Woerkom – District 34  
Representative: Geoff Hansen – District 100  
Local Contact: Paul E. Inglis, Administrator/Fiscal Operator  
Post Office Box 31  
Hart, Michigan 49420  
231.873.4835

PROJECT SUMMARY

The County of Oceana is requesting that the name the county originally used for the target of assistance for this project be changed from Double JJ Resort (which is a dba on resort properties in Oceana County) to Outdoor Resources, Inc., the business name of the company creating the employment opportunities. The county's original Community Development Block Grant (CDBG) project, MSC 203042-EDIG, which was approved at the June 17, 2004, MSF Board meeting, was to be used for the construction of a public bike path, public parking lot, and public fiber optic to serve the needs of Outdoor Resources, Inc.'s (dba Double JJ Resort, Inc.) proposed 57-room hotel and facilities for a new R.V. Park.

At the August 18, 2005 MSF Board Meeting, an additional \$730,000 was approved to be used as a loan from Oceana County to Outdoor Resources, Inc. for water improvements. The \$730,000 loan was going to be used to loop existing wells in order to provide Outdoor Resources, Inc. with constant water pressure so the resort can construct a new water park and convention center. To comply with the local fire code, the resort will need sprinklers in all new buildings, including the proposed hotel and new convention center.

In addition to the name change, the project scope is being reduced. The county and Outdoor Resources, Inc. have decided to eliminate \$725,000 of the \$730,000 August 18, 2005 amendment. The revised CDBG funding, in the amount of \$1,075,000, will reduce the scope of work for the public bike path and trailheads/public parking lots and use the funds for the public water improvements, administration, and legal expenses. The project will have a two-year term of work.