

# The Berlin Fair completes its 160th year

Pete Daly  
Grand Rapids Business Journal

The Berlin Fair in Marne, an annual event since 1855, survived a near name change in World War I and, more recently, moved to June because Julys were getting too hot — perhaps a sign of global warming.

And this year, for the first time ever, there was no live poultry on display in the livestock barns because of bird flu precautions.

On June 1 the Michigan Department of Agriculture and Rural Development canceled all 2015 poultry exhibitions throughout the state to help prevent spread of the avian flu. Last week the Michigan DNR and MDARD announced the state's first confirmed cases of highly pathogenic avian influenza H5N2 in the state. The virus, found in free-ranging Canada geese in Macomb County, also can infect domestic poultry such as chickens, turkeys, quail and geese.

"Should this virus impact Michigan's domestic poultry, it doesn't just impact the chicken you buy for your home. It has ripple effects such as the eggs used to make a wide variety of food products," said MDARD spokesperson Jennifer Holton.

She said MDARD has taken proactive, preventive measures such as the cancellation of the poultry shows "to prevent the comingling of birds from various locations across the state. Whether you are a small or hobby poultry owner or a commercial operation, we all have an important role to play to protect the health of Michigan's poultry."

The Berlin Fair Association — volunteers who run the nonprofit week-long event each summer — claim theirs is the longest continuously operating fair in Michigan. Association president Jim Kishman said unlike other fairs in Michigan, Berlin did not cease operations during World War II.

History buffs may know the

connection between the small town of Marne and the fair. The town was originally named Berlin, but anti-German sentiment swept the United States during World War I, and the town fathers changed the name to Marne, inspired by the Second Battle of the Marne in France in 1918, which marked the beginning of the end of the invading German armies.

By then the Berlin Fair was already well over 60 years old and quite well-known in the region. The business-minded management team decided there would be no tinkering with the name.

According to Lisa Reiff, executive director of the Michigan Association of Fairs & Exhibitions, there are 86 local and county fairs in Michigan, and most of them are members of MAFE. The association has always worked closely with the Michigan Department of Agriculture, and MAFE members include businesses involved with the fair industry such as the carnivals, insurance companies and other types of suppliers and support services.

Fairs are organized in one of two ways established by Michigan law, but all are nonprofit organizations. Act 80 of 1855 established fairs produced by horticultural societies, and Act 11 in 1929 defines county fairs, which are controlled and managed by county governments.

"The vast majority of them are an Act 80," said Reiff, and the Berlin Fair is "a local fair, not a county" fair.

Reiff said the fairs do not report their financial information to MAFE, so she is not sure how much revenue they typically generate or invest each year, but she noted a lot of fairs are run entirely by volunteers.

Last year in Michigan more than 4.5 million people attended fairs, and the volunteers donated more than 659,000 hours, accord-



JIM KISHMAN, left, and Russ Preston are involved with the Berlin Fair Association. Photo by Michael Buck

ing to MAFE.

Agricultural youth organizations such as 4-H have long been a key element at fairs. The young people spend a lot of time on projects on their parents' or relatives' farms, raising and caring for farm animals that will be exhibited and judged at the fair. Some, such as hogs and beef cattle, are then auctioned off, typically bought by prominent local businesses. Prize-winning 4-H animals at the Berlin Fair are featured each year in large photo displays at the Meijer store in Standale.

Reiff said that in 2014, livestock auctions at Michigan fairs generated \$18.5 million for the young

owners of the animals.

Kishman has been president of the Berlin Fair Association for three years. He told the Business Journal last week, a few days before the fair wrapped up on June 13, that he and the other volunteers are hoping for an attendance of 25,000 this year. He noted kids under 10 get in free so they aren't counted among visitors who buy admission tickets.

"Weather affects everything that goes on" at a fair, said Kishman, and that's why they recently made a big change in scheduling the Berlin Fair, moving it from

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# Holland awaits SmartZone decision

Rachel Weick  
Grand Rapids Business Journal

Holland is one step closer to creating a new satellite SmartZone.

A new bill recently approved by the Michigan House of Representatives that amends the number of communities able to apply for satellite SmartZone designation has been referred to the Senate Committee on Economic Development and International Investment.

House Bill No. 4226 seeks to amend the 1986 Local Development Financing Act to allow the designation of six additional SmartZones through a competitive application process conducted by the Michigan Economic Development Corp.

If passed by the Senate and signed into law by Gov. Rick Snyder, the bill would amend the Local Development Financing Act and a subsequent section introduced in 2008 under Public Act 104 to allow for an increase from three to nine designated satellite SmartZones throughout the state.

The six additional geographical areas would rely on a formal partnership with an existing SmartZone, or certified technology park, to stimulate economic development, entrepreneurship, and talent retention and recruitment.

The bill was introduced in February by Daniela García, R-Holland, and sponsored by a bipartisan group of legislators including Amanda Price, Roger Victory, Kurt Heise, Michael McCready, Bradford Jacobsen, Harvey Santana, Henry Yanez, Sam Singh, Andy Schor, Winnie Brinks and Brandon Dillon.

García said the additional satellite technology parks will allow communities to submit an application for SmartZone satellite status and provide another boost to the local economy.

"SmartZones demonstrate how collaborative relationships can have a positive impact on a community. Utilizing these proven local economic development models across the state will yield more successes and increased private sector investment," said García in a press release.

"I'm thrilled my hometown of Holland will have the ability to apply for a SmartZone satellite designation through the enactment of my legislation."

Holland's SmartZone Financing Authority Board met last fall to elect officials and approve a formal partnership with the existing Grand Rapids SmartZone to support the growth of technology-related businesses and the overall entrepreneurial ecosystem in the region.

The process to implement a satellite designation in the lakeshore community is stalled, however, unless the legislation moves forward, since HB 4226 will allow Holland to capture state education taxes, according to Jennifer Owens, president of Lakeshore Advantage.

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# Ranir brings production line back from China

Commitment from Walmart prompts Kentwood manufacturer to expand.

Pete Daly  
Grand Rapids Business Journal

Ranir, a Kentwood-based manufacturer of store-brand consumer oral and personal health care products, is hosting a major event here Tuesday that reflects its new investment — one that was strongly encouraged by Walmart.

The event will include Walmart and Ranir executives at a ribbon-cutting ceremony and factory tour of Ranir's expanded manufacturing line. The investment in new manufacturing equipment covering 7,500 square feet of its East Paris plant floor is enabling Ranir to bring its monthly production of 400,000 power toothbrush heads back to Kentwood from China.

Ranir did not release the dollar amount of its investment but said about 19 new employees were added as a result.

Walmart, listed at 16th on the Forbes list of the 20 largest publicly held corporations in the world, had FY2015 revenue of \$486 billion.

It states on its website it is "committed to American renewal," and in January 2013, Walmart announced its "Made in the USA" initiative, a commitment to buy an additional \$250 billion in U.S.-made products by 2023, "in an effort to grow U.S. manufacturing and encourage the creation of U.S. jobs."

Walmart has an "open call" each July in which it invites potential suppliers to come to its world headquarters in Bentonville, Ark., to pitch their products made in the U.S.

Industry Week reported there were more than 800 meetings between Walmart officials and potential U.S. suppliers at the first

open call last year. Deals that came out of it ranged from companies as large as GE to as small as Chef Jenn seafood products.

GE added 150 new jobs as a result of its light bulb deal with Walmart and opened three factories — one in Illinois and two in Ohio.

CEO Christine Henisee said Ranir will be at the 2015 Made in the USA open call as a special guest of Walmart — an example to the potential suppliers of what can be accomplished here in the United States.

Ranir already was selling Walmart the power toothbrush heads it made in China, but Henisee said her company had actually been considering moving that production to the U.S. even before learning how strongly Walmart would encourage it.

"We wanted to simplify and shorten our supply chain because we value customer service a lot," said Henisee.

She said the expansion will also

strengthen the job security of everyone at the plant in Kentwood.

Ranir had been looking at possible opportunities to bring more of its Asian production to Michigan or to its German plant, which serves the European market. In addition to shortening and simplifying the global supply chain, Henisee figured it would "help to control our total cost position, with all the things that go on in the world to take costs up and down."

Ranir, founded in Grand Rapids in 1979 and owned by a private equity firm, makes manual toothbrushes, teeth-whitening compounds and dental floss — lots and lots of dental floss — at the East Paris Avenue plant, which employs approximately 500 people.

The company does not reveal its annual revenue, but Henisee indicated it is more than \$200 million.

Two years ago the Business Journal reported that close to 70

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# Right Place: MEDC funding cut would 'disarm' Michigan

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est cities to our smallest of villages. (Economic development) projects now in the planning process will be far less likely to receive state support," Arwood said.

"Today's actions open Michigan up to raids on our jobs and prosperity from competitors in 49 other states and any number of nations. We will do our best to stanch the impact of these votes.

"All should know we will now begin fighting competitors who

are energized by this declaration to move Michigan to its most meager economic development capabilities in decades," added Arwood.

Last Thursday, a day after the House vote, Klohs said The Right Place already had fielded questions from professionals in other states who locate and research new sites for industrial and food-processing companies in which to invest. The site developers are wondering if Michigan will have less to offer their business clients looking for a new plant site.

"Our competitors are looking forward to Michigan disarming," Klohs told the Business Journal.

"Competitors" in this case are all the other states that invest heavily in economic development plans to lure new business or to keep existing businesses from moving to other states.

One of the key tools all states use are economic incentives in the form of tax breaks and also much assistance from agencies such as The Right Place.

Gov. Rick Snyder said in late

May at a major business conference he does not think funding should be removed from the MEDC budget to devote to the state highway system.

In addition to managing Pure Michigan, the state government's marketing campaign for the Michigan tourism industry, the MEDC also offers:

- Procurement services to help Michigan businesses connect with the state's largest purchasers of goods and services, and to help win federal contracts.

- Export services for small and medium-sized businesses trying for sales in new markets.

- Real estate development services for communities seeking to streamline "smart growth" in their downtown areas.

- Talent services to help attract, retain and develop a competitive workforce that meets the needs of businesses.

- Capital services to increase the private sector's capacity for making loans and investments in business.

# Holland awaits decision on new satellite SmartZone

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Under the 2008 amendment of the 1986 Act, the state treasurer was able to approve up to three satellite SmartZones with an agreement with an existing SmartZone to capture state education tax and intermediate school operating tax increments, according to the House Fiscal Agency's May 4 legislative analysis.

"This legislation allows our community to be able to capture state education taxes, which is a very important element for the SmartZone to be successful, so without the legislation there will be no SmartZone in Holland," said Owens.

The Senate committee considered the legislation and heard testimony late last week.

As the organization serving as executive director of the satellite SmartZone in Holland, Owens said

she would be testifying on behalf of the bill at the meeting.

"Our organization will be contracted by Holland Township and the city of Holland to implement the SmartZone program," said Owens. "We think it is very important for our organization to testify about the economic impact of this bill and why it is so important to formalize our partnership with the city of Grand Rapids and also extend this resource to our community."

The Grand Rapids SmartZone was approved in 2002 by MEDC and the certified technology park includes collaboration between the city of Grand Rapids, The Right Place, Van Andel Institute, Grand Valley State University and Grand Rapids Community College. It is one of 15 designated SmartZones throughout the state and provides incubator services to support growth, including business

development mentoring, entrepreneurial training, market analysis, management recruitment and product development.

Owens said the bill is written enabling the MEDC to conduct a competitive bid process and approve up to three satellite SmartZones in two rounds. The new bill, as passed by the House, indicated the initial application period would begin on the effective date of the amendment with a deadline of Oct. 1 and approved no later than Nov. 1. The second application period would begin Jan. 1, 2016, and end July 1, 2016.

Based on tax values over a period of roughly 15 years, Owens said if the value continued to increase, the organization conservatively estimates the community would be able to bring in approximately \$6.3 million in the region to support entrepreneurial endeavors, infrastructure and a community

allowing startups to grow.

"Looking at the roughly 1,000 acres we have put into the zone, we feel it is very prime for new development and, based on that increase in taxes, we will be able to capture a portion and put it back into helping set up companies to grow and succeed," said Owens.

Holland's satellite SmartZone would sit on approximately 1,000 acres in the city and Holland Township along Lake Macatawa, which includes the Michigan State University Bioeconomy Institute, 242 Howard Ave.

The MSU Bioeconomy Institute would serve a similar role to that of Grand Rapids' Medical Mile, which anchors the Grand Rapids SmartZone, according to Garcia.

"With the expansion of SmartZone satellites, MSU's 35,000 square feet of space can be used as an incubator for entrepreneurial efforts," said Garcia. "Local

partnerships and collaborations have been critically important in making Ottawa County economically strong, and a SmartZone satellite will help to continue the great process that has already been achieved."

Owens said the entrepreneurial ecosystem is located throughout the West Michigan region, and the designation of a satellite SmartZone will bring resources to Holland and Holland Township.

"It also allows us to learn from the existing programs and support what has been there in the city of Grand Rapids, and it really formalizes the partnership. It will allow us to work regularly together to make sure our regional entrepreneurial ecosystem is strong," said Owens.


"That has made us very excited about the future for partnership and collaboration as a result of this program."


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