

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
October 27, 2009

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, October 27, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq. N., Lansing, Michigan.

MEMBERS PRESENT: Douglas Buckler; Susan Corbin (acting on behalf of Stanley “Skip” Pruss, authorization attached); Baldomero Garcia; Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached); Greg Main; Michael Kapp (acting on behalf of Kirk Steudle, authorization attached)

MEMBERS ABSENT: Cullen DuBose; Tim Herman

CALL TO ORDER: Mr. Main called the meeting to order at 10:00 a.m.

APPROVAL OF MINUTES: Mr. Main asked for a motion to approve the September 22, 2009 and October 6, 2009 MEGA Board meeting minutes. **Mr. Lockwood made a motion for approval of the September 22, 2009 and October 6, 2009 MEGA Board meeting minutes. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PUBLIC COMMENT:

Mr. Main asked if there was any other public comment. There was none.

ADMINISTRATIVE:

Legislative Changes Presentation

Peter Anastor, MEDC Community and Urban Development Manager, provided an explanation of the legislative changes to the Board.

Mr. Anastor stated that the Governor had signed four bills with ramifications for the MEGA Board. Mr. Anastor then described the bills explaining that the MEGA Board is out of credits for the year but is authorized to use 85 previously approved credit years that have not been utilized. Two thirds of each unutilized credit years can be used for example—if there are 10 unutilized credit years from a project, then 6 and 2/3 years can be used from the credit. Mr. Anastor indicated there are presently 85 credit years available and in order for that to be possible the MEDC Staff had to find 128 unutilized MEGA credits from previous years. Mr. Anastor also mentioned the allotted annual MEGA credits for 2010 and the future decrease from 400 to 300 credit years. Mr. Anastor defined several new restraints within the 300 years and explained them in detail to the Board.

Mr. Main asked if there were any questions on the changes. Mr. Main spoke about the changes having no major impact on operations and stated that the Board should expect an aggressive program moving forward.

Resolution 2009-167: Additional MEGA Credits

Mr. Anastor provided background information and gave the recommendation for this action.

Mr. Anastor indicated that the Board would need to formally rescind the previously approved tax credits in order to use the additional 85 credit years.

Recommendation: MEDC Staff recommends that the MEGA Board revoke the MEGA awards listed in the Briefing Memorandum, thereby allowing the MEGA Board to recapture the 128 years necessary to calculate the 85 additional years allowed under the statute for additional credits in 2009.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Revocation of Unused MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-167. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED ANCHOR JOBS & BATTERY PACK CREDITS:

Resolution 2009-168: Johnson Controls-Saft Advanced Power Solutions, LLC (JCS)

Doug Parks, MEDC SVP Business Development and Attraction, provided background information for this action and introduced guest presenter; MaryAnn Wright, VP Managing Director, JCS

Mr. Parks greeted the MEGA Board and those in attendance. Mr. Parks discussed MaryAnn Wright's significant progress with the project and her advancement within JCS since her last appearance before the MEGA Board. Ms. Wright spoke about the importance of aligning themselves with the MEDC. Ms. Wright stated that without the support of the State of Michigan and help from Greg Main, Doug Parks, and the entire MEDC Team the \$299.2 million investment with a facility in Holland, MI would not have been possible. Ms. Wright described facilities currently in France moving operations to Holland, MI, then exporting new technology back to Europe and all over the world. Ms. Wright stated that this is "transformational to Holland...and a credit to what you all have done." Ms. Wright made mention that the architectural engineers working on the facility project are from Michigan. Ms. Wright also talked about JCS pursuing a Renaissance Zone opportunity.

Mr. Main thanked Ms. Wright and JCS then asked Mr. Parks to explain to the Board what the Anchor Jobs Credit is. Mr. Parks explained that an Anchor Company is a company that brings suppliers with it, and convinces them to locate in close proximity to their facility. Mr. Parks made mention that as soon as JCS [coming to Michigan] was announced; he and his team were approached by multiple companies desiring to set up shop in Michigan.

Mr. Hundt provided additional information.

Mr. Hundt spoke about JCS planning to invest \$220 million and create up to 1,096 jobs over the next five years as a result of the project. Mr. Hundt explained that along with the Anchor Jobs credit, JCS was also requesting a Plug-In Traction Battery Pack credit, as well as two amendments to previous awards identifying a name change from Johnson Controls – Saft Advanced Power Solutions, LLC to Johnson Controls – Saft APS Production, Inc. and a change in the Company's year end date from September 30 to December 31.

Recommendation: MEDC staff recommends: (1) That JCS be designated as a qualified Anchor Jobs Company and further recommends, that JCS be granted the Anchor Jobs designation for a MBT Credit for a period of five years beginning October 27, 2009; (2) Approval of Plug-In Traction Battery credits for Johnson Controls Saft APS Production, Inc. not to exceed 55,000 units for a maximum credit of \$20 million (\$5.5 million in 2012, \$5.5 million in 2013 and \$9.0 million in 2014); (3) The transfer of the MEGA Tax Credit approved on April 14, 2009 for JCS (FEIN 41-2194096) to Johnson Controls – Saft APS Production, Inc. (FEIN 90-0505382); (4) The transfer of the Battery Cell Manufacturing MBT Credit approved on April 14, 2009 for JCS (FEIN 41-2194096) to Johnson Controls – Saft APS Production, Inc. (FEIN 90-0505382); and (5) The change in the Company's year end date from September 30 to December 31.

Board Discussion: Mr. Lockwood gave the Executive Committee reports. The MEGA Executive Committee reviewed the proposed Plug-In Battery Pack Credit, Anchor Jobs Credit, Name Change and Year-End Date Change and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-168. Mr. Buckler seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. **Mr. Lockwood made a motion for approval of Resolution 2009-169. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. **Mr. Buckler made a motion for approval of Resolution 2009-170. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. **Mr. Garcia made a motion for approval of Resolution 2009-171.**

Mr. Lockwood seconded the motion. The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED BROWNFIELD MBT AND STANDARD MEGA CREDITS:

Resolution 2009-172: Buena Vista Charter Township – Fort Saginaw Mall

Kent Kukuk, MEDC Community Assistance Specialist, provided background information for this action and introduced guest presenters; Dwayne A. Parker, Supervisor, Buena Vista Charter Township; and Anne Jamieson, Consultant, AKT Peerless

Mr. Parker spoke about his excitement for the project—redeveloping the dilapidated Fort Saginaw Mall. Mr. Parker described the significance of the project location, which is the high-visibility gateway to the township just off of Interstate 75. Although the mall was a “beacon of early commerce in 1966,” the vacant mall is now a blighted property. Mr. Parker talked about the developers from Ohio that plan to turn the property into a mixed use space for: (1) Public Spaces, (the “Town Center”); (2) Education and Office Spaces; (3) Commercial Spaces. Mr. Parker concluded, “[The community] has taken hits in a number of ways, but we’re optimistic it will be a bright spot in Buena Vista’s future.” Ms. Jamieson indicated the site needs to be remediated for hazardous materials, then thanked the MEGA Board and Kent Kukuk for their hard work.

Katharine Czarnecki, MEDC Community Assistance Manager, provided additional information on the project.

Ms. Czarnecki stated that the township purchasing the property in 2004 for \$3.13. Upon the completion of this project no new jobs will be created but upon a new development being attracted to the site, a substantial number of new jobs will be created.

Recommendation: MEDC Staff recommends approval of local and school tax capture for the eligible activities totaling \$1,773,695, described in the Briefing Memo. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$1,631,799.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Redevelopment Work Plan and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-172. Mr. Buckler seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-173: City of Mount Clemens – Station 65, LLC

Kent Kukuk provided background information for this action and introduced guest presenters; David Gassen, Owner/Developer, Station 65, LLC; and Anne Jamieson, Consultant, AKT Peerless

Mr. Gassen talked about looking at the project’s 8,300 ft² building five-years before, and marveling that the building was an architectural gem. He continued by indicating that he intends to redevelop the building for mixed use. The fully restored building and cobblestone street is planned to be the headquarters of Mr. Gassen’s architectural firm and home to an art gallery.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki stated that five permanent, full-time jobs that have been added since the developer began working on this project and that five more permanent full-time jobs are expected to be added as a result of the project with an average hourly wage ranging from \$15.00 to \$40.00 per hour. Total capital investment is anticipated to be approximately \$820,000 and the total eligible investment anticipated is \$676,818.

Recommendation: MEDC Staff recommends approval of local and school tax capture for the eligible activities totaling \$175,860, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$80,896.

Ms. Corbin stated that Mr. Gassen might want to look into Historic Preservation for the building while still attaining LEED Certification. Mr. Gassen thanked Ms. Corbin and said that they had already looked into Historical Preservation and would continue to do so.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Redevelopment Work Plan and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-173. Mr. Lockwood seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-174: City of Parchment – River Reach Partners, LLC

Joe Agostinelli, MEDC Community Assistance Specialist, provided background information for this action and introduced guest presenters; Jeff Kroll, Developer, River Reach Partners, LLC; Dennis Durham, City Manager, City of Parchment; and John Byl, Attorney Warner Norcross & Judd, LLP

Mr. Byl thanked the MEDC and the MEGA Board and stated that this project would not be possible without the MEDC. Mr. Byl stated that if there was a definition of a Brownfield Redevelopment, it would be this project. Mr. Byl described the project site as 100 acres with many obsolete structures with a projected cost of \$10 million. Mr. Byl talked about DEQ grants and various loans involved in funding as well as the City working closely with the developers. Mr. Kroll mentioned that 40% of the site separates the downtown from the river. Mr. Kroll said that the first phase of infrastructure improvements would start in 2011 ultimately to produce a mixed use site with 50,000 ft² for retail space and 350 residential units. Mr. Kroll thanked the MEDC staff and the MEGA Board for their hard work. Mr. Durham talked about the project being years in waiting and his delight with the transformation to the riverfront. Mr. Durham estimated the city population will double in size once this project was completed. Mr. Durham took a moment to explain that 50% of the tax base was lost when the old paper mill closed up and now the site is a hazard for the Fire Department, Police Department, and is in violation of city code and ordinance.

Mr. Main said the project is an exciting one and an excellent model for Michigan's core communities.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the project is a blend of new urbanism and sustainable development principles creating a walk-able community focused on energy efficiency and natural resources conservation. Ms. Czarnecki stated that the project is expected to create 50-60 office type jobs, paying wages that are unknown at this time and that the total capital investment is expected to be in excess of \$100 million.

Recommendation: MEDC Staff recommends approval of local and school tax capture for the eligible activities totaling \$49,661,900 which includes a maximum bonded interest of \$30,349,500 (up to a 6% interest rate), described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$8,521,982. Furthermore, any eligible activity not supported by bonds issued by the City of Parchment or other public body shall receive a maximum interest rate of 5 percent for those eligible activities.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Redevelopment Work Plan and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Kapp made a motion for approval of Resolution 2009-174. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED BROWNFIELD MBT AND STANDARD MEGA CREDITS:

Resolution 2009-175 & 176: Auto-Owners Insurance Company (Auto-Owners)

Susan Novakoski, Industry Business Development Manager, provided background information for this action and introduced guest presenters; Brian Hiesrodt, Director of Real Estate Development & Acquisition; Anthony A. Pecchio, Christman Capital Development Company; Richard Watkins, Township Manager, Delta Charter Township; Lisa Dedden Cooper, Congressman Schauer's Office.

Mr. Hiesrodt spoke briefly about the projects history and his excitement to expand the office. Mr. Pecchio indicated the company has wanted to expand for several years at the project site property on South Creyts Road. Mr. Pecchio spoke about Auto-Owners not being able to

expand since they are waiting for Blue Cross to vacate their current building and Blue Cross is waiting for Accident Fund to vacate their current building and Accident Fund is waiting for the completion of the Lansing, Board Water & Light (Ottawa Station) redevelopment. Mr. Pecchio mentioned an estimated investment of \$105 million. Mr. Watkins talked about Delta Township's full support of the project. Mr. Watkins thanked the Board and urged their support stating that 800 new jobs is important to Delta Township, Lansing, and Michigan. Ms. Cooper spoke on behalf of Congressman Schauer's Office saying that his office was happy to support the project and proud of the 7th district overall.

Mr. Buckler addressed the guests and asked if the requested credit years will count against the current credit total even though the project will not move forward for a couple years. Mr. Anastor confirmed that was the case.

Phil Santer, MEDC Project Specialist, provided additional information on the project.

Mr. Santer talked about the expansion requiring an investment of about \$105 million and would create approximately 800 jobs.

Recommendation: MEDC Staff highly recommends a 100 percent employment tax credit for 10 years for up to 800 net new employees in excess of the company's established base of 1,880 beginning December 31, 2014. In addition, MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$5,800,000.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and Brownfield MBT Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-175. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-176. Mr. Kapp seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED PROPOSED STANDARD MEGA CREDITS:

Resolution 2009-177: Clairvoyant Energy Solar Panel Manufacturing, Inc. (CE-SPM)

Phil Santer provided background information for this action and introduced guest presenters; Joe Sproles, Sproles Government Consulting; and Mike Dornan, Manager City of Wixom.

Mr. Sproles thanked Phil Santer and spoke about representing (CE-SPM) and Xtreme Power. Mr. Sproles thanked Doug Parks and his staff, Sen. Casis, Rep. Clemente, Jim McBryde, and Fred Hoffman. Mr. Sproles indicated David Hardee was not able to attend because he was at a solar technology conference trying to recruit more companies for the project. Mr. Dornan thanked the MEDC Staff and SW Oakland County and stated that the City of Wixom fully supports the project.

Mr. Santer provided additional information on the project.

Mr. Santer indicated that CE-SPM would be investing approximately \$856 million and creating 751 jobs over the next five years as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent employment tax credit for 15 years for up to 751 net new employees in excess of the company's established base of zero, provided that: The company creates and maintains a minimum of 250 jobs over the employment base of zero by the end of the tenth year. Failure to do so will forfeit the remaining years of the credit.

Mr. Main stated that this was an interesting project in that the REMI software projected six point four jobs for every one job created by CE-SPM. Mr. Main noted that is the highest projection he had personally seen for a project.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a**

motion for approval of Resolution 2009-177. Mr. Buckler seconded the motion. The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-178: Ohio Module Manufacturing Co., LLC (OMMC)

Erik Tungate, MEDC National Business Project Manager, provided background information for this action and introduced guest presenters; Byung Kyu Kim, CFO, OMMC; Tom Cousino, Plant Manager, OMMC; Hak Park, Finance Manager, OMMC; Scott Patterson, Tax Analyst, OMMC; Bill Lichwalla, Plante & Moran; Tracie Tillinger, Business Development, DEGC; and James Paquet, Wayne County.

Mr. Tungate spoke about OMMC producing parts for the Jeep Grand Cherokee. Ms. Tillinger thanked the MEGA Board and talked about a seven year Renaissance Zone signed into effect on October 15, 2009. Mr. Cousino talked about their Toledo operations which were awarded most efficient manufacturing. Mr. Cousino made mention of the Hyundai plaque in the trophy case saying that OMMC is owned by Hyundai and he hoped an OMMC plaque would be side by side with it.

Mr. Hundt provided additional information on the project.

Mr. Hundt indicated that OMMC will invest approximately \$21.4 million and create 200 jobs over the next five years as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent employment tax credit for five years for up to 200 net new employees in excess of the company's established base of 0.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-178. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-179: Strategic Staffing Solutions, L.C. (S3)

Camille Walker, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Denise Kurowski, Executive VP, S3; David L. Fox, Project Lead, S3; Richard Barr, Principal, Honigman, Miller, Schwartz & Cohn; Kenyetta Hairston Bridges, DEGC; and Bryce Kelley, Wayne County.

Ms. Kurowski thanked the MEGA Board and gave a brief history of the company and their operations. Ms. Kurowski talked about North Carolina having a better business profile but with the MEGA Credits and the trained workforce talent in Michigan the decision to stay in Michigan was easy. Ms. Bridges spoke about the City of Detroit's excitement for spin off jobs and will support the project with a Renaissance Zone. Mr. Kelley spoke about his pleasure to be in front of the Board with an international company that started, grew, and stayed in Michigan.

Mr. Main asked if they could characterize their customer base. Ms. Kurowski answered, that they work with Fortune 500 companies and financial and utility companies. Mr. Barr thanked the MEDC Staff and talked about always asking for Val Hoag, Greg West, and Camille Walker to do more and to do it faster and they always did.

Greg West, MEDC Project Specialist, provided additional information on the project.

Mr. West indicated that Strategic Staffing Solutions currently has 159 employees in Michigan and will invest approximately \$7.3 million and create 437 jobs over the next five years as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent employment tax credit for five years for up to 437 net new employees in excess of the company's established base of 169.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-179. Mr. Kapp seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-180: Xtreme Power, Inc.

Josh Hundt provided background information for this action and introduced guest presenters; Carlos Coe, CEO, Xtreme Power; Joe Sproles Sproles Government Consulting; and Mike Dornan, Manager(City of Wixom.

Mr. Coe described his company's significant progress since the last meeting, noting a lot of firms have been helping the project move forward. Mr. Sproles spoke about his gratitude to the MEGA Board and the MEDC.

Josh Hundt provided additional information on the project.

Mr. Hundt indicated that Xtreme Power plans to create 2,500 jobs over the next five years and the company's plan to make a total capital investment of \$475.4 million.

Recommendation: MEDC Staff recommends a 100 percent employment tax credit for 20 years for up to 2,500 net new employees in excess of the company's established base of 0, provided that: The company creates and maintains a minimum of 2,000 jobs over the employment base of 0 by the end of the fifteenth year. Failure to do so will forfeit the remaining years of the credit.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-180. Mr. Buckler seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED RETENTION MEGA CREDITS:

Resolution 2009-181: Williams International Co., LLC (WIC)

David Kurtycz, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Ken Thorn, Manager, Benefits, Insurance & Taxes, WIC; Irene Spanos, Oakland County; Kim LaRoise, VP, WIC; and Kathleen Cassidy, Commerce Township.

Mr. Thorn spoke briefly about WIC and their miniature gas turbine technology and how it differentiates them from other competitors. Mr. Thorn talked about the rationale behind moving engineers to the test zones in Utah as opposed to trying to work through electric lapses due to distance issues between the engineers and the test site in Utah. Ms. Cassidy thanked the MEDC Staff. Ms. Spanos thanked the MEDC and pointed out that companies are staying because of the State's workforce.

Greg West provided additional information on the project.

Mr. West indicated that WIC currently has 374 employees in Michigan will invest approximately \$12 million and retain 72 jobs over the next five years as a result of this project.

Recommendation: MEDC Staff recommends up to a 100 percent retention employment tax credit for five years for the 72 qualified retained employees at the Commerce Township location, subject to the following: Provided that the company maintains a total statewide employment threshold of 374 full-time employees, including the 72 qualified retained employees for this project. Failure to do so will result in the remaining years to be forfeited.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-181. Mr. Lockwood seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED BROWNFIELD MBT AMENDMENT:

Resolution 2009-182: City of St. Joseph – 508 Pleasant Street

Joe Agostinelli provided background information for this action and introduced guest presenters; Bob Roberts, CFO 508 Pleasant Street, LLC; Tony Monte, 508 Pleasant Street, LLC; and John Byl, Attorney Warner Norcross & Judd LLP.

Mr. Byl described the history of project and explained the lender's requirement that 50% of the units must be presold. Mr. Byl said the project will start at the latest June 1, 2009.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the project will not change but will continue to include demolition of an existing functionally obsolete 4 story building located at 508 Pleasant Street in downtown St. Joseph, Berrien County.

Recommendation: MEDC Staff recommends the approval of the requested amendments to designate the project as an Urban Development Area Project and to increase the total credits to a 20% credit, not to exceed \$3,500,000. However the project must begin by commencing physical demolition of the existing building within ninety (90) calendar days from the adoption of the approved MEGA Board Resolution for the amendment to take effect. If the project does not begin as stated above, the credit will revert back to the original MEGA Board approval on April 14, 2009.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention MEGA Credits and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-182. Mr. Kapp seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED MEGA AMENDMENTS:

Resolutions 2009-183 & 184: GM Subsystems Manufacturing, LLC

Karla Campbell, MEDC MEGA Program Manager, provided background information for this action.

Ms. Campbell mentioned the complexity of this project's timing, along with General Motors emergence from bankruptcy, stating that it is necessary to request that the MEGA Board extend the time period allowed for execution of the agreements. This action will have the effect of extending the review and execution dates until December 18, 2009.

Recommendation: MEDC Staff recommends that the MEGA Board extend the time to execute these agreements 60 days from the date of this MEGA Board Meeting. The date that these Agreements must be executed is now December 18, 2009. All of the terms in the previous resolutions for the Plug-In Battery Pack MBT Credit and the MEGA Retention Tax Credit for General Motors Subsystems Manufacturing, LLC remain in effect.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendments and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-183. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-184. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-185: Robert Schechter & Associates, Inc.

Karla Campbell provided background information for this action.

Ms. Campbell described the MEDC Staff's evaluation of the request for transfer and determination that no material changes in the project will result from this transfer.

Recommendation: MEDC Staff recommends the transfer of the MEGA Tax Credit approved on July 15, 2008 for Robert Schechter & Associates, Inc. to MIE Financial Services, Inc. effective at any time after October 01, 2009 but before December 31, 2009.

Board Discussion: Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendment and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-185. Mr. Lockwood seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

DISCUSSION: Mr. Main thanked everyone for attending and spoke about his appreciation for the Staff's cooperation.

ADJOURNMENT: The meeting was adjourned by Mr. Main at 11:41 a.m.