

## **ADOPTED MINUTES**

A special meeting of the Michigan Economic Growth Authority (MEGA) was held at the Holiday Inn at 3600 Plymouth Road in Ann Arbor on November 20, 2001 at 9:00 a.m.

### **Members Present**

Craig DeNooyer  
Sarah Deson-Fried  
Leon Hank (acting for and on behalf of Duane Berger, authorization attached)  
Mark Haas (acting for and on behalf of Doug Roberts, authorization attached)  
Phil Kazmierski (acting for and on behalf of Gregory Rosine, authorization attached)  
Doug Rothwell  
Tim Ward

### **Members Absent**

Beth Chappell

### **Others Present**

Karen Ammarman, MEGA, MEDC  
Kathy Blake, Senior V.P., Business Development, MEDC  
David Canter, SVP, Pfizer, Inc.  
Linda Dankoff, MEGA, MEDC  
Bill Howe, Manager, State Government Relations, Pfizer, Inc.  
Jennifer Kopp, MEDC  
Paul Krepps, MEDC  
Sue Lackey, Washtenaw Development Council  
Penny Launstein, MEDC  
Stuart Mandell, Dykema Gossett, PLLC  
Mark Morante, Vice President, Dev. Finance, MEDC  
Dan O'Shea, VP, Pfizer  
Doug Roberts, Treasurer, State of Michigan  
Tom Schimpf, Attorney General  
Susan Zimbelmann, Pfizer, Inc.

### **Call to Order**

Doug Rothwell called the meeting to order at 9:00 a.m.

### **Public Comment**

There was no public comment.

## Action Item

*Warner-Lambert Company  
235 East 42<sup>nd</sup> Street  
New York, New York 10017-5755*

Kathy Blake introduced Dr. David Canter, Senior Vice President of Pfizer, Inc. and Director of the Ann Arbor laboratories who explained the proposed Warner-Lambert project to the Board.

Dr. Canter explained that Warner-Lambert has two buildings in Ann Arbor that house approximately 1,600 employees, plus about 800 employees located in various leased facilities in the Ann Arbor area. Warner-Lambert hopes to construct a new building on land it recently acquired from the University of Michigan, located next to one of its current facilities, and to relocate its staff from the leased facilities. Should Pfizer, Warner-Lambert's parent, decide to proceed with this project, Ann Arbor would be the second largest Pfizer site in the world.

Ms. Blake referenced the briefing memo that was in the board packet, highlighting that the project would require approximately \$750 million in capital investment, create up to 600 new jobs paying an average weekly wage of \$1,154 per week. Benefits equaling 30% of wages and contributions to employees' 401(k) plans equal to another 15% will be added. Warner-Lambert anticipates beginning operations in January, 2003, and increasing employment by 200 people per year for the next three years beyond that.

According to the economic analysis done by the University of Michigan utilizing Regional Economic Models, Inc. software, we estimate this facility will generate a total of 988 jobs in the state by the year 2021. Net state government revenues through the year 2021, would be increased by \$89 million (2001 dollars) due to the presence of this facility.

The company is looking to expand at its parent's corporate headquarters in Connecticut or in Ann Arbor. Connecticut is offering a corporate tax-free environment, which makes locating this project in Connecticut less expensive than locating it in Michigan. The granting of a MEGA credit will help eliminate the cost gap estimated at \$4.5 million annually. The State will also be offering an abatement of the six-mill State Education Tax for a length of time to match the local property tax abatement and an Economic Development Job Training grant of up to \$1.2 million.

At its November 19<sup>th</sup>, the City of Ann Arbor approved a 50 percent abatement of the Company's real property taxes for twelve years and personal property taxes for six years, related to this project.

### **Recommendation**

The Michigan Economic Development Corporation recommends an employment credit of 100 percent for up to 600 net new jobs for a period of twenty years.

### **Board Discussion**

Tim Ward gave the report of the Executive Committee. The Executive Committee discussed the project and because of the tax differential between Connecticut and Michigan, it is the Committee's recommendation to award the employment credit.

Craig DeNooyer asked Dr. Canter how long the additional land would handle Warner-Lambert's growth needs. Dr. Canter answered that the additional land would support the company's needs for the next twenty years.

Dr. Canter went on to explain that Pfizer currently has six global centers with significant ones located in England, California, Connecticut, and Ann Arbor and two smaller ones located in Japan and Paris.

Doug Rothwell noted that Warner-Lambert would be coming back to the MEGA Board at some time in the future with a request to transfer its MEGA credit to its parent, Pfizer, Inc. He pointed out that the Board had approved, after a review by staff, all fourteen transfer requests it had received and that it would be the board's intent to approve this transfer request when it comes to the board.

A motion was made and supported, and Resolution 2001-053 awarding a MEGA Tax Credit to Warner-Lambert Company was adopted.

### **Adjournment**

The meeting was adjourned at 9:15 a.m.



STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT & BUDGET  
LANSING

JOHN ENGLER  
GOVERNOR

DUANE E. BERGER  
DIRECTOR

October 16, 2001

MICHIGAN ECONOMIC DEVELOPMENT CORP

OCT 18 2001

EXECUTIVE OFFICE

Mr. Doug Rothwell  
President and CEO  
Michigan Economic Development Corporation  
300 N. Washington Square, 3<sup>rd</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Rothwell:

I hereby designate Leon Hank, Department of Management and Budget, Office of Financial Management, to be the representative at the Michigan Economic Growth Authority meeting on November 20.

If you have questions, please feel free to contact me at 373-0666.

Sincerely,

Duane E. Berger  
Director

cc: Nancy Duncan  
Leon Hank



STATE OF MICHIGAN  
John Engler, Governor

DEPARTMENT OF TREASURY  
Douglas B. Roberts, State Treasurer



MICHIGAN  
DEPARTMENT OF  
TREASURY

November 20, 2001

Mr. Douglas Rothwell  
Chair, MEGA  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Dear Mr. Rothwell:

I hereby designate Mark Haas, Director, Office of Revenue and Tax Analysis, Department of Treasury, to represent me at today's MEGA Board meeting.

Sincerely,

Douglas B. Roberts  
State Treasurer

cc: Mark Haas

TRANSPORTATION  
COMMISSION

BARTON W. LaBELLE, Chairman  
JACK L. GINGRASS, Vice Chairman  
LOWELL B. JACKSON  
BETTY JEAN AWREY  
TED B. WAHBY  
JOHN W. GARSIDE

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STATE OF MICHIGAN



JOHN ENGLER, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

PHONE: (517) 373-2090 FAX: (517) 373-0167 WEB SITE: <http://www.mdot.state.mi.us>

GREGORY J. ROSINE, DIRECTOR

January 8, 2001

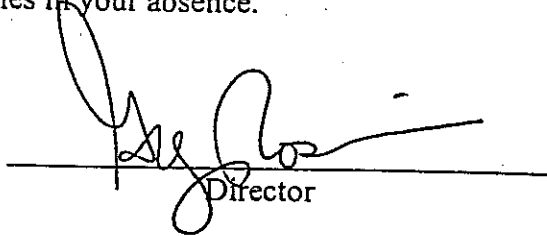
**TO:** Philip F. Kazmierski, Deputy Director  
Bureau of Urban and Public Transportation

**FROM:** Gregory J. Rosine  
Director

**RE:** Michigan Economic Growth Authority (MEGA) Board

I hereby appoint you to attend and act on my behalf at the MEGA board meetings when I am unable to attend.

I appoint Jackie Shinn to assume these responsibilities in your absence.

  
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Director

**cc:** Doug Rothwell, Director  
Michigan Economic Development Corporation  
Jackie Shinn