

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
December 15, 2009

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, December 15, 2009 at the Lansing Center, Conference Rooms 203-204, 333 E. Michigan Ave., Lansing, MI.

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

MEMBERS ABSENT: Cullen DuBose

CALL TO ORDER: Mr. Main called the meeting to order at 10:01 a.m.

APPROVAL OF MINUTES: Mr. Main asked for a motion to approve the November 17, 2009 MEGA Board meeting minutes. **Mr. Herman made a motion for approval of the November 17, 2009 MEGA Board meeting minutes. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PUBLIC COMMENT:

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

PROPOSED BROWNFIELD WORK PLAN:

Resolution 2009-204: City of Cadillac – Cobbs Mitchell Redevelopment (CMR)

Joe Agostinelli, MEDC Community Assistance Specialist, provided background information for this action and introduced guest presenters: Precia Garland, Interim City Manager, City of Cadillac; Mac McClelland, Otwell Mawby P.C.; Al Mishkin, Developer; and Pay Meyer, Developer.

Mr. McClelland thanked the MEGA Board members and indicated that the building has been listed as a State Historical Place and a nationally known building from 1907. Mr. McClelland also stated that they would be requesting Federal and State Historic Tax Credits for the building. Mr. Mishkin indicated that they planned to invest \$2 million in the project and create 35 new jobs. Ms. Garland indicated that the City of Cadillac has approved an Obsolete Property Tax Act (OPRA) abatement on the project.

Katharine Czarnecki, MEDC Community Assistance Manager, provided additional information.

Ms. Czarnecki indicated that the project will fully utilize the presently functionally obsolete three-story Cobbs & Mitchell Building in the City of Cadillac with an overall investment of \$2,000,000.

Recommendation: MEDC Staff recommends approval of local and state tax capture for the eligible activities totaling \$231,193. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$97,101.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-204. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BROWNFIELD MBTS:

Resolution 2009-205: BAE Systems Land and Armaments L.P. (BAE)

Bruce Seymour, MEDC Business Development Manager, provided background information for this action and introduced guest presenters: Michael Bocek, Director of Facilities Ground Systems, BAE; Ulrich Schmidt, KPMG, LLP; and Luke Bonner, Economic Development Manager, City of Sterling Heights.

Mr. Bocek thanked the MEGA Board and indicated that BAE had a ground breaking for this project in September 2009, and expect to have phase 1 completed by July 2010. Mr. Bonner stated that this was a successful project for an abandoned building which will create jobs for SE Michigan.

Marcia Gebarowski, MEDC Project Specialist, provided additional information.

Ms. Gebarowski indicated that the project qualifies as a facility and will create 460 new jobs while retaining 61 jobs, and has an eligible investment of \$55,252,031.

Recommendation: MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$6,906,504.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT 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 2009-205. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-206: Cherry Stone, LLC

Joe Agostinelli provided background information for the action and introduced guest presenters: Chris Shea, President, Cherry Stone, LLC; Greg Dziadosz, Member, Cherry Stone, LLC; and John Byl, Consultant, Warner Norcross and Judd.

Mr. Byl indicated that this was downtown Grand Rapids project, with \$30 million investment in a “tired area”. Mr. Byl indicated that this project will create 80,000-90,000 square feet of office and lab space, as well as 400 parking spots. Mr. Byl continued by stating that this project will be a benefit to low income individuals for healthcare services, including pediatric and adult care, pharmacy, and mental health services. Mr. Shea stated that the main focus will be on chronic illness, and helping individuals manage these illnesses. Mr. Shea indicated that they expect to create 80 new good paying jobs, and that the City of Grand Rapids is a strong supporter of this project.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the project will create 80 new jobs with an expected investment of \$32 million.

Recommendation: MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$3,300,000.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-206. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-207: Delta Development, LLC

Jeff Sand, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Bob Sakuta, President, Delta Research Development; Mark Taormina, Director of Planning & Economic Development, City of Livonia; and Jeff Brian, Wayne County Economic Development Officer.

Mr. Sakuta stated that this project would be located in an old newspaper facility that has been empty for over a year. Mr. Sakuta continued by stating that the development would be used to produce aircraft gears at automotive pricing and automotive parts at aircraft quality.

Mr. Taormina stated that the City of Livonia is supportive of this project and will support a PA 198 for 12 years.

Marcia Gebarowski provided additional information on the project.

Ms. Gebarowski indicated that the project will create 35 new jobs and retain 75 existing jobs, with an investment of \$15.4 million.

Recommendation: MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$1,923,750.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT 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 2009-207. Mr. Buckler seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-208: Gardenview Homes IV LDHA, LLC

Joe Martin, MEDC Community Assistant Specialist provided background information for the action and introduced guest presenters: Richard Barr, Honigman Miller Schwartz and Cohn, LLP; Dana Christian, Norstar Development; and Mariangela Pledl, City of Detroit.

Ms. Christian indicated that this project was a mixed income, mixed housing project which also would include a NFL Boys and Girls club. Mr. Barr indicated that this was a project that was highly anticipated, that many people who lived in this area before are now on the waiting list to live there again, and that there was a considerable amount of community pride for this area.

Ms. Pledl stated that this was a great project for Detroit, and that the City is very excited and supportive of this project.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the project has a total anticipated investment of \$32.4 million.

Recommendation: MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$25,349,155.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-208. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolutions 2009-209 and 210: Harbor Shores HV Construction and Harbor Shores BHBT Land Development, LLC

Joe Agostinelli provided background information for the action and introduced guest presenters: Bob McFeeter, Project Developer; John Byl, Consultant, Warner Norcross and Judd; and Jeff Gilbertson, Vice President, Harbor Shores HV Construction.

Mr. Byl indicated that these projects are part of a much larger project in Harbor Shores, and that these projects were a very exciting part of the overall 500 acre project. Mr. Byl stated that there would be a Jack Nicholas signature golf course, park revitalization and mixed use development throughout the entire project. This first proposal is a four phase project with \$90-95 million in total investment across 14 acres. The second proposal is a two phase project that will consist of 55-60 residential units along the Paw Paw River. One unit has already commenced and will be available for tours in the coming summer. Mr. Byl finished by thanking all parties involved in this project, especially the MEDC staff that had worked so hard to bring this project to fruition.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the first proposal would create 20 new jobs with a total capital investment of \$95.8 million, as well as create a designation of an Urban Development Area Project (UDAP). The second proposal would create 25 new jobs with a total capital investment of \$27 million.

Recommendation: MEDC Staff recommends approval of the designation of an Urban Development Area Project and approval of a 20% MBT Brownfield Credit, not to exceed \$10,000,000.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT 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 2009-209. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Recommendation: MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$2,625,000.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT 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 2009-210. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-211: The Minervini Group, LLC (Minervini)

Joe Agostinelli provided background information for the action and introduced guest presenters: Ray Minervini Sr., The Minervini Group, LLC; Raymond Minervini, The Minervini Group, LLC; and Bryan Crough, Community Development Director, City of Traverse City.

Mr. Minervini Sr. indicated that this project is a large on-going project that has multiple phases. Mr. Minervini Sr. stated that the project began 9 years ago and is about 25% complete. Mr. Minervini indicated that the project had moved slowly because they had chosen to do it one chunk at a time. Mr. Minervini stated that so far an indoor winter Farmer's market has been completed and has been very successful. Mr. Crough stated that the City of Traverse City and Grand Traverse County are very supportive of this project.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the project will create 25-35 new jobs paying an average weekly wage of \$21, and a total anticipated investment of \$20 million.

Recommendation: MEDC Staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$2,324,800.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT 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 2009-211. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-212: Woodward Theater, LLC

Joe Martin provided background information for the action and introduced guest presenters: George Stewart, Managing Member, Woodward Theatre, LLC; Wendy Hoefer, Zachary and Associates; and Mariangela Pledl, City of Detroit.

Mr. Stewart indicated that half of this project has been completed thanks to the help of MEDC staff, including 300 + space parking garage and the demolition of a 23,000 square foot retail building. Mr. Stewart stated that this project is phase two, including a 1000 seat entertainment facility, and 32,000 square feet of retail space. Ms. Hoefer indicated that this project would include 47 market rate unit building on top of the retail space. Ms. Pledl stated that the City of Detroit is very supportive of this project.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki indicated that the project would be designated an Urban Development Area Project (UDAP) and will create 150 new jobs, with a total anticipated investment of \$24.7 million.

Recommendation: MEDC Staff recommends the designation of an Urban Development Area Project (UDAP) and approval of a 20% MBT Brownfield Credit, not to exceed \$3,530,657.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-212. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BROWNFIELD MBT & HIGH-TECH MEGA CREDITS:

Resolutions 2009-213 and 2009-214: GlobalWatt, Inc. (GW)

Therese Thill, MEDC Director of Attraction, provided background information for the action and introduced guest presenters: Sanjeev Chitre, Chairman/CEO, GlobalWatt, Inc.; Dave Silivinski, Director of Sales, GlobalWatt, Inc.; JoAnn Crary, President, Saginaw Future; Kathy Mussio, Atlas Insight; and Dawn Baetsen, Atlas Insight.

Mr. Sanjeev stated that GW plans to create fully-integrated production line in the US for photovoltaic opportunities. Mr. Sanjeev indicated that GW is currently in one of the fastest growing areas of the economy, and feels that the resources, trained workforce and market all exist here in Michigan, and that the company is very excited to be working in Michigan. Ms. Crary stated that the Silicon Valley could learn from what Michigan has done through opportunities such as Suniva, etc and that the Saginaw area is very excited about this project.

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

Mr. Santer indicated that Akebono would be investing approximately \$177 million and creating 500 jobs over the next five years of this project.

Ms. Shinn stated that this type of project defines what the Governor has been talking about for years, and that she is delighted to hear about this project.

Recommendation: MEDC staff recommends approval of a 12.5% Large Brownfield MBT credit, not to exceed \$10,000,000. MEDC Staff also recommends a 200 percent high-technology employment tax credit for years one through three, followed by a 100 percent employment tax credit for years four through seven for up to 500 net new employees, subject to the company creating and maintaining at least 250 new employees by the fifth year of the credit, failure to do so will void the remaining years of the credit.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT and High Tech MEGA Credit 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 2009-213. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent. **Mr. Garcia made a motion for approval of Resolution 2009-214. Mr. Buckler seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED HIGH-TECH MEGA CREDIT:

Resolution 2009-215: Azure Dynamics, Inc. (Azure)

Eric Schreffler, MEDC Sector Development Manager, provided background information for this action and introduced guest presenters; Scott Harrison, CEO, Azure Dynamics, Inc.; and Lynda Earhart, Senior Business Development Representative, Oakland County.

Mr. Harrison indicated that Azure relocated to Oak Park over a year ago, and that the engineering talent is what attracted them to Michigan. Mr. Harrison stated that Azure is working with both Ford and Johnson Controls on their electric and hybrid technology. Mr. Harrison concluded by stating that Azure is very happy to be launching this project in Michigan. Ms. Earhart indicated that the City of Oak Park and Oakland County are very supportive of this project and plan on approving a PA 198.

Josh Hundt, MEDC Project Specialist, provided additional information on the project.

Mr. Hundt indicated that the company would be investing approximately \$2.45 million and create 40 jobs over the next five years.

Recommendation: MEDC Staff recommends a 200 percent high-technology employment tax credit for years one through three, followed by a 100 percent employment tax credit for years four through seven up to 40 net new employees, contingent on the company forgoing its tax credit approved on September 18, 2007.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High Tech MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-215. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED STANDARD MEGA CREDITS:

Resolution 2009-216: Magna Electronics, Inc. (Magna)

Eric Shreffler provided background information for this action and introduced guest presenters; Frank W. Ervin III, Government Affairs Manager, Magna USA; Kevin Pavlov, VP, Magna Electronics; Marilyn Hoffman, Grand Blanc Township Supervisor; Janice Karcher, VP of Economic Development, Genesee Regional Chamber of Commerce; and Alicia Booker, President, Michigan Works! Career Alliance.

Mr. Pavlov indicated that this project is a collaboration with Ford, and that they plan to launch the vehicle in 2011. Mr. Pavlov stated that Magna makes electronics developed in automotive and non-automotive markets and creates vehicle control units. Mr. Ervin indicated that Magna would be making a \$70 million investment with 525 jobs created as the starting point, and that the 2011 launch is a huge piece of the puzzle. Ms. Booker stated that the skilled workforce is here in Michigan, and ready to help out immediately. Ms. Hoffman stated that Grand Blanc Township and Genesee County are very supportive of this project and plan to approve a PA 198 for the project. Ms. Karcher indicated that the County is very excited about Magna and encourages others to come to the area. Ms. Karcher also stated that both Consumers Energy and Segal Realty are huge partners for this project.

Mr. Herman stated that he had been waiting a long time to see a Genesee County project come through, and shared his excitement for the project. Mr. Herman also stated that the partnership between Genesee County and the MEDC has been great.

Josh Hundt provided additional information on the project.

Mr. Hundt indicated that the company planned to invest \$70.3 million and create 525 new jobs over the next five years.

Recommendation: MEDC Staff recommends a 100 percent employment tax credit for 7 years for up to 525 net new employees in excess of the company's established base of 340, provided that the agreement of terms to amend the Renaissance Zone in Alto is signed prior to the MEGA Credit Agreement being executed; and the agreement of terms to amend the Renaissance Zone in Alto is approved by the MSF Board and any necessary fees related to the amendment are paid in full prior to activation of the MEGA Tax Credit.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-216. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-217: Morley Companies, Inc. (Morley)

Val Hoag, MEDC Packaging Director, provided background information for this action and introduced guest presenters: Christopher Furlo, Executive VP, Morley Companies, Inc.; JoAnn Cray, President, Saginaw Future; and Paul Furlo, Owner, CEO, Morley Companies, Inc.

Mr. Furlo indicated that this project will increase the footprint for Morley for both their consumer and customer business. Ms. Cray stated that Morley has been an integral part of the community and that this project would create an additional 700 jobs in a community that badly needs it.

Ms. Shinn asked if the Morley family was still connected to the business. Mr. Furlo stated that they are no longer affiliated in a management role, but that several family members still worked for the business.

Mr. Santer provided additional information on the project.

Mr. Santer indicated that company would invest approximately \$3 million and create 700 jobs in the next five years.

Recommendation: MEDC Staff recommends a 100 percent employment tax credit for 10 years for up to 700 net new employees in excess of the company's established base of 642, with a "look back" period established as September 15, 2009 or 90 days prior to the execution of the Credit Agreement, whichever is shorter.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA 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 2009-217. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED STANDARD & RETENTION MEGA CREDIT:

Resolution 2009-218: US Farathane Corp. (USF)

Clarinda Barnett-Harrison, MEDC Business Development Manager, provided background information for this action and introduced guest presenters: Andrew Greenlee, President & CEO, US Farathane Corporation; Richard Knappe, CFO, US Farathane Corporation; Laurie Johnson, Economic Development Coordinator, City of Auburn Hills; Michelle Eaton, Senior Business Development Representative, Oakland County; and Richard Barr, Honigman Miller Schwartz & Cohn, LLP.

Mr. Greenlee indicated that USF has been a Michigan company for over 40 years, and has seven plants operating currently. Mr. Greenlee stated that USF would be retaining 540 employees and creating 398 jobs, while investing \$51.7 million for the project. Ms. Johnson stated that the City of Auburn Hills is supportive of the project and looks forward to working with USF. Ms. Eaton stated that Oakland County supports the project and is very happy that USF is creating 300 jobs. Mr. Barr thanked everyone involved and stated that it was an exciting project for Michigan.

Amy Deprez, Packaging Team Manager, provided additional information on the project.

Ms. Deprez indicated that the company would be investing approximately \$51.7 million and creating 398 jobs while retaining 540 jobs in all of the company's facilities throughout the State.

Recommendation: MEDC Staff recommends a 100 percent retention employment tax credit for 7 years for the 540 retained employees and a 100 percent standard employee tax credit for up to 398 new employees, provided that USF maintains a minimum of 400 jobs in the state for the duration of the credit.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention and 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 2009-218. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED RETENTION MEGA CREDITS:

Resolution 2009-219: Caparo Vehicle Components, Inc. (Caparo)

David Kurtycz, MEDC Business Development Manager, provided background information for this action and introduced guest presenters: Mike Dustmann, President & CEO, Caparo Vehicle Components, Inc.;

Don Piper, VP of Finance, Caparo Vehicle Components, Inc.; Ara Topouzian, City of Novi; and Mark Adams, Oakland County.

Mr. Dustmann indicated that Caparo is a family owned and operated business that produces small to medium stampings for OEMs and major Tier 1 suppliers.. Mr. Dustmann stated that Caparo is very competitive in the US, Europe and Asia. Mr. Adams indicated that Oakland County is very supportive of this project. Mr. Topouzian indicated that the City of Novi looks forward to Caparo's continued growth and is excited to work with the company.

Josh Hundt provided additional information on the project.

Mr. Hundt indicated that the company would be investing approximately \$10.5 million, and retaining 117 jobs over the next 5 years.

Recommendation: MEDC Staff recommends an 80 percent retention employment tax credit for 5 years for the 117 retained employees in the City of Novi.

Board Discussion: Mr. Garcia 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. Buckler made a motion for approval of Resolution 2009-219. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-220: SoundTech, Inc.

Karen Hinkle, MEDC Business Development Manager, provided background information for this action and introduced guest presenters: Amy Sparks, President, SoundTech, Inc.; Richard Root, Mayor, City of Kentwood; and George Bosniak, The Right Place.

Ms. Sparks stated that SoundTech was in risk for leaving Michigan before these credits were offered to the company. Ms. Sparks stated that the company plans to invest \$5.1 million to stay in Michigan, and that they are proud to be a woman owned business. Mayor Root stated that he was delighted to be before the MEGA Board once again and is very supportive of the project. Mr. Bosniak stated that the community is very supportive of the project.

Marcia Gebarowski provided additional information on the project.

Ms. Gebarowski indicated that the company would be investing \$5.1 million and retaining 51 jobs over the next five years as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent retention employment tax credit for five years for up to 51 retained employees at the Kentwood facility.

Board Discussion: Mr. Garcia 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. Lockwood made a motion for approval of Resolution 2009-220. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-221: Wacker Chemical Corporation (WCC)

Jeff Sand, MEDC Business Development Manager, provided background information for this action and introduced guest presenters: Craig Fitzpatrick, CFO, Wacker Chemical Corporation; and Tim Robinson, COO, Lenawee Economic Development Corporation.

Mr. Fitzpatrick indicated that WCC produces a wide variety of products, and has been Adrian based for more than 40 years. Mr. Robinson indicated that a 12 year PA 198 has already been passed by the township for this project.

Marcia Gebarowski provided additional information on the project.

Ms. Gebarowski indicated that the company will invest approximately \$23.7 million, retaining 156 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 10 years for the 156 retained employees at the Adrian facility, provided that the company maintains at least 410 employees at the facility for the duration of the credit.

Board Discussion: Mr. Garcia 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. Buckler made a motion for approval of Resolution 2009-221. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED RURAL MEGA CREDIT:

Resolution 2009-222: Skilled Manufacturing, Inc. (SM)

Lydia Murray, MEDC Business Development Manager, provided background information for this action and introduced guest presenters: W. Dodd Russell, President, Skilled Manufacturing, Inc.; Catherine Collins, Controller, Skilled Manufacturing, Inc.; Tino Breithaupt, President, Traverse County Chamber of Commerce; and Bryan Crough, Community Development Director, City of Traverse City.

Mr. Russell indicated that SM has been an automotive supplier for almost 30 years, and is now providing jet engine parts for the aerospace industry. Mr. Breithaupt stated that the community is very supportive of this project. Mr. Crough stated that the City of Traverse City would be approving its first ever PA 198 for this project.

Ken Murdoch, MEDC Grant Specialist, provided additional information on the project.

Mr. Murdoch indicated that the company will invest approximately \$9.5 million and create 73 jobs over the next five years as a result of this project.

Recommendation: MEDC Staff recommends up to a 100 percent rural employment tax credit for seven years for up to 73 new employees in excess of the company's established base of 147.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Rural 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 2009-222. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED MEGA AMENDMENTS:

Resolution 2009-223: Ford Motor Company (Ford)

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

Ms. Campbell indicated that Ford was awarded a 20-year Retention credit on November 18, 2003 for the Wayne facility, which included the Michigan Truck facility. Ford was awarded another multi-site Retention credit on August 9, 2006 that also included the Michigan Truck facility. Ford cannot take the credit for the Wayne MEGA because Michigan Truck is included in both, and therefore needs to remove the Michigan Truck facility from that MEGA.

Recommendation: MEDC Staff recommends that resolution 2003-41 be amended to remove the Michigan Truck Plant from the project and that the baseline threshold be reduced to 1,898.

Board Discussion: Mr. Garcia 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, **Ms. Shinn made a motion for approval of Resolution 2009-223. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-224: General Motors Global Solutions (GM)

Karla Campbell provided background information for this.

Ms. Campbell indicated that GM has indicated that they would like to request to amend the previously amended Retention credit to retain 2,000 direct GM employees and other employees through contracts or partnerships at the Renaissance Center instead of the 2,500 employees previously approved. The overall maximum number of jobs that can be claimed on this credit would then be 21,000, with the maximum amount on the credit of the Renaissance Center portion of the credit would be capped at \$50 million over the life of the credit.

Recommendation: MEDC Staff recommends that the MEGA Board amend resolution 2009-201 to: (1) reduce the number of Qualified Retained Jobs for the Tax Credit and amount of full-time employees, shared services and contractual employees with partners maintained at the Detroit Renaissance Center from 2,500 to 2,000; (2) the tax credit can only be claimed on the actual GM full-time employees; (3) the overall maximum number of jobs that can be claimed on the Global Solutions MEGA is 21,000; (4) the maximum amount of the credit on the Renaissance Center portion of the credit is capped at \$50 million over the life of the credit; and (5) all of the terms in the previous resolutions for the MEGA Retention Tax Credit related to the Global Solutions project remain in effect.

Board Discussion: Mr. Garcia 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. Buckler made a motion for approval of Resolution 2009-224. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-225: MS Precision Components, LLC (MS)

Karla Campbell provided background information for this action.

Ms. Campbell indicated that more time was necessary to execute all components of the project due to unforeseen problems in regards to rights on the property.

Recommendation: MEDC Staff recommends that the anniversary date be extended from December 21, 2009 to December 31, 2010 to allow the Company to activate its Tax Credit. This extension will result in the loss of one year of the credit allowing the company MEGA Tax Credits for 6 consecutive years beginning with tax year ending December 31, 2010.

Board Discussion: Mr. Garcia 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. Herman made a motion for approval of Resolution 2009-225. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED ANCHOR JOBS/DISTRICT AMENDMENT:

Resolutions 2009-226, 2009-227, 2009-228, and 2009-229: Hemlock Semiconductor Corp. (HSC)

Karla Campbell provided background information for this action.

Ms. Campbell indicated that HSC was designated as an Anchor Jobs Company and an Anchor District Company on December 15, 2008. Ms. Campbell stated that HSC has not entered into either agreement because there were pending legislative changes to the program.

Recommendation: MEDC Staff recommends that Resolutions 2008-162 and 2008-163 be revoked and that HSC is redesignated as an Anchor Jobs Company and an Anchor District Company as of December 15, 2009

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Anchor Jobs and Anchor District Amendment and recommends approval. Mr. Anastor stated that there were four resolutions to approve, both revoking the previous resolutions from 2008 and redesignating HSC for both the Jobs and District credits. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-226. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent. **Mr. Buckler made a motion for approval of Resolution 2009-227. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent. **Mr. Buckler made a motion for approval of Resolution 2009-228. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent. **Mr. Lockwood made a motion for approval of Resolution 2009-229. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BROWNFIELD MBT AMENDMENT:

Resolutions 2009-230 and 2009-231: Greektown Investment Group (GIG)

Peter Anastor provided background information for this action.

Mr. Anastor indicated that GIG was approved for a Large SBT credit and a Work Plan in November of 2004, to renovate the 1001 Woodward building, demolition of several vacant buildings and construction of a new mixed use/retail parking structure. To date, the parking structure has been completed, but the remainder of the project needs more time both for construction as well as financing.

Recommendation: MEDC Staff recommends for the MBT Amendment request, approval to add Greektown Investment Group, LLC and Greektown Investment Group II, LLC as Qualified Taxpayers, change the scope of the project to eliminate the residential element from the restoration and add four years to the completion date to November 17, 2014. MEDC staff recommends for the Work Plan Amendment, approval to change the scope to eliminate the planned residential element from the restoration and add six years to the completion date to November 16, 2013.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT and Work Plan Amendment 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 2009-230. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent. **Mr. Buckler made a motion for approval of Resolution 2009-231. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

DISCUSSION: Mr. Main thanked everyone for attending and for their patience.

ADJOURNMENT: The meeting was adjourned by Mr. Main at 12:04 p.m.