

**MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD  
FEBRUARY 14, 2012**

**ADOPTED MEETING MINUTES**

A meeting of the Michigan Economic Growth Authority [MEGA] Board was held on Tuesday, February 14, 2012 at the Michigan Economic Development Corporation, Lake Michigan Conference Room, 300 N. Washington Square, Lansing, Michigan 48913

**MEMBERS PRESENT:** Ruth Duquette [acting for and on behalf of John Nixon, designation attached], Michael Finney, Tim Herman, Mike Jackson, Andrew Lockwood [acting for and on behalf of Andy Dillon, designation attached]

**MEMBERS ABSENT:** Cullen DuBose, Bill Martin

**CALL TO ORDER:** The meeting was called to order at 10:10 a.m.

**APPROVAL OF THE MINUTES:** Mr. Finney asked for a motion the January 17, 2012 meeting minutes. **Mr. Herman made a motion for approval of the minutes. Mr. Lockwood seconded the motion.** The motion carried – 5 ayes; 0 nays; 0 recused; 2 absent.

**PUBLIC COMMENT:** Mr. Finney asked if there was any public comment. There was none.

**EXECUTIVE COMMITTEE REPORT:** Mr. Finney asked Ms. Campbell if the Executive Committee had reviewed the projects on the agenda. Ms. Campbell replied affirmatively that the Executive Committee recommended approval of the agenda items being presented to the Board.

**PROPOSED LARGE BROWNFIELD MBT CREDIT APPROVALS**

*Dan Wells, Program Specialist – Brownfields, provided background information on this action item.*  
The Board is being asked to approve three new amending resolutions for this project which had originally been approved at the December 13, 2011 MEGA Board meeting. The amendments are being sought to replace discounted eligible investment and credit for each project with the full amount. In addition, costs for the building renovations have been revised upwards to account for recently obtained estimates that are more precise than initial estimates.

**Recommendation:** Staff recommends the three amendments to increase the 15% Brownfield MBT UDAP Credits to: \$3,216,177 – Chamber of Commerce Building Project; \$2,458,699 – Capitol Park Building Project; and \$3,724,500 – Farwell Building Project.

**Resolution 2012-07 – Chamber of Commerce Building Project**

Board Discussion: Mr. Finney asked if there were any questions from the Board. There being none, **Mr. Lockwood motioned approval for Resolution 2012-07. Mr. Herman seconded the motion.** The motion carried – 5 ayes; 0 nays; 0 recused; 2 absent.

**Resolution 2012-08 – Capitol Park Building Project**

Board Discussion: Mr. Finney asked if there were any questions from the Board. There being none, **Mr. Herman motioned approval for Resolution 2012-08. Mr. Lockwood seconded the motion.** The motion carried – 5 ayes; 0 nays; 0 recused; 2 absent.

**Resolution 2012-09 – The Farwell Building**

Board Discussion: Mr. Finney asked if there were any questions from the Board. There being none, **Mr. Jackson motioned approval for Resolution 2012-09. Ms. Duquette seconded the motion.** The motion carried – 5 ayes; 0 nays; 0 recused; 2 absent.

**PROPOSED CELL MANUFACTURING CREDIT AMENDMENT**

**Resolution 2012-10 – Johnson Controls APS Production, Inc. – Cell Manufacturing Credit**

*Joshua Hundt, Senior Regional Project Manager, provided background information on this action item.*

A Battery Cell Manufacturing Tax Credit was awarded to Johnson Controls-Saft APS, LLC, which is a joint venture between Johnson Controls and Saft APS on October 27, 2009. The Company was awarded a High Tech MEGA on August 18, 2009. Both awards were related to the same project. Since 2009, the Company has changed its business structure. The new structure includes the dissolution of the joint venture between Johnson Controls and Saft APS Production. However, the new Company, Johnson Controls APS Production, Inc., retains the current FEIN for the Pack Credit, Cell Manufacturing credit and High-Tech MEGA. The Company is continuing investment at its cell manufacturing integrative cell manufacturing operation that develops and produces anode and cathodes, and manufactures battery cells and packs in the City of Holland. The Company plans to create at least 400 jobs related to the project.

**Recommendation:** Staff recommends approval for authorization of a voucher incentive of up to \$75,000,000 over three years, capped at \$25,000,000 per year for JCI APS, contingent on:

1. The Company must create at least 75 jobs in year one, at least 150 cumulative jobs in year two, at least 225 cumulative jobs in year three.
2. The Company must create, and maintain for at least thirty days, 400 jobs by December 31, 2018.
3. The Company must set aside its Plug-in Battery Pack Credit authorized by MEGA on October 27, 2009, its High-Tech credit authorized by MEGA on August 18, 2009.
4. The voucher incentive authorized under PA 292 of 2011 will replace the Company's Cell Manufacturing Credit Authorized by MEGA on October 27, 2009.

**Board Discussion:** Mr. Finney asked if there were any questions from the Board. There being none, **Ms. Duquette motioned approval for Resolution 2012-10. Mr. Jackson seconded the motion.** The motion carried – 5 ayes; 0 nays; 0 recused; 2 absent.

The meeting adjourned at 10:18 a.m.