

## ADOPTED MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) was held at the Michigan Economic Development Corporation, 300 N. Washington Square, on February 15, 2005, at 10:00 a.m.

### Members Present

Bo Garcia  
David Hollister  
Faye Nelson  
Donald Jakeway  
Andrew Lockwood (acting and on behalf of Jay Rising, authorization attached)  
Jackie Shinn (acting for and on behalf of Gloria Jeff, authorization attached)

### Others Present

Peter Anastor, MEDC  
Amy Banninga, MEDC  
Scott Bosgraaf, Baker Lofts  
Jeff Bryant, City of Livonia  
John Byl, Warner, Norcross & Judd  
John Cubba, Redford Township  
Daniel Domenicucci, Ernst & Young  
Jim Donaldson, MEDC  
Steve Gentile, Detroit Diesel  
Pet Greve, AKT Peerless Environmental Services  
Douglas Grimm, Metaldyne  
R. Miles Handy, Redford Township  
Fred Hoffman, DaimlerChrysler Corporation  
Ron M. Howell, Village Mgr., Village of Middleville  
Jeff Kaczmarek, MEDC  
Carol Knobloch Johns, MEDC  
Andrea Laramie, Ernst & Young  
Penny Launstein, MEDC  
Jim McBryde, MEDC  
Susan McCormick, MEDC  
Mike McGee, Miller, Canfield, Paddock and Stone  
Alan Miller, Lansing Community Newspapers  
Mark Morante, MEDC  
Jeffrey Muhn, Metaldyne  
Karen O'Donoghue, Michigan Opera Theater  
Jim Paquet, Secretary to the Board  
Albert Pope, DaimlerChrysler Corporation  
Sandy Ring, COO, MEDC  
Greg Robinson, City of Holland  
Matthew Rick, Assistant Attorney General  
Matt Schmidt, City of Sterling Heights  
Mike Shore, MEDC  
Vern Taylor, MEDC  
David Trebing, DaimlerChrysler Corporation

Grant Trigger, Honigman, Miller, Schwartz and Cohn  
Angelo Vitale, Quicken Loans  
Kathleen White, MEDC

### **Call to Order**

David Hollister called the meeting to order at 10:30 a.m.

### **Approval of Minutes from January 18, 2005**

A motion was made, supported and carried that board meeting minutes from the January 18, 2005 meeting, be adopted.

### **Public Comment**

There was no public comment.

### **ACTION ITEM**

*Metaldyne Machining and Assembly Co., Inc.*  
*47603 Halyard Drive*  
*Plymouth, Michigan 48170*

Jim Donaldson began this presentation by introducing Doug Grimm and Jeffrey Muhn from Metaldyne, along with Ron Howell with the Village of Middleville. Mr. Howell expressed the community's support for the project.

Metaldyne Machining and Assembly Co., Inc. manufactures include metal-formed and precision-engineered components and modular systems used in vehicle transmission, engine and chassis applications. The company currently has 2,048 employees at 11 facilities in Michigan.

Mr. Grimm gave a brief explanation of the company's consolidation plans. Metaldyne is expanding due to a new project related to the machining and assembly of an end cover to be used on the new six-speed transmission for both Ford and GM. The aluminum part will be die-cast in Ohio, but machined and assembled at a separate facility, potentially in Middleville, Michigan, where Metaldyne has an existing facility. In addition, Metaldyne is considering the consolidation of a smaller machining and assembly line from an existing out-of-state location. In total, the project would lead to the creation of 25 new jobs in the first year of the project and 64 by the third year. The new positions will pay an average weekly wage of \$536.

Total capital investment for the project would be approximately \$8.1 million, including \$1.3 million for leasehold improvements and capitalized lease costs, \$6.2 million for new and relocated equipment and special tooling, and \$650,000 for relocation costs.

It is estimated that this facility will generate a total of 92 jobs in the state by the year 2012. Total state government revenues through the year 2012, would be increased by \$2.1 million due to the presence of this facility in Michigan.

In addition to Middleville, Metaldyne is also considering a leased facility near their casting facility in Ohio for this operation. Locating in Ohio would provide the company with savings in three areas, when compared to Middleville. The primary cost difference is related to wages. In Ohio, the facility would be new, allowing Metaldyne to hire new workers at a lower starting salary compared to Middleville, which is an established Metaldyne facility. In addition, the company would have lower relocation costs and a more favorable lease in Ohio, which would allow them to avoid \$750,000 of up front leasehold improvements needed in Middleville.

The State of Michigan will provide the company with an Economic Development Job Training (EDJT) grant of \$500 for each of the 64 new hires, or up to \$32,000. Pending approval of local property tax abatement, the State will also provide a 50 percent abatement of the six-mill State Education Tax for a period of time to match the local property tax abatement. The value of this abatement is estimated at \$43,900.

The Village of Middleville has proposed a 50 percent PA198 property tax abatement for 12 years on all new real property, and for six years on new personal property. The estimated value of the local property tax abatement is \$387,200. The abatement is expected to be finalized by March 22, 2005.

### **Recommendation**

The Michigan Economic Development Corporation recommends a 100 percent rural employment tax credit for eight years, for up to 64 new employees.

### **Board Discussion**

Faye Nelson gave the Executive Committee report. The Executive Committee has recommended approval of the requested tax credit.

Hearing no further discussion, a motion was made and supported and Resolution 2005-04, approving a rural MEGA tax credit for Metaldyne Machining and Assembly Company, was adopted.

### **ACTION ITEM**

*DaimlerChrysler Corporation  
1000 Chrysler Drive  
Auburn Hills, Michigan 48326*

Jim Donaldson introduced Fred Hoffman and Dave Trebing with DaimlerChrysler, who explained the project to the board. Matt Schmidt was present from the City of Sterling Heights. Mr. Schmidt expressed support for the project.

DaimlerChrysler currently has operations in Sterling Heights, Michigan for the stamping and assembly of the Chrysler Sebring and Dodge Stratus passenger cars. In total, those operations employ 5,123 workers.

DaimlerChrysler needs to select a location to manufacture vehicles that will be the successors to the current Sebring and Stratus models. The company performed several feasibility analyses of location alternatives for this product throughout the United States and Mexico. Although the most viable alternative sites provided advantages to DaimlerChrysler in two main areas, personal property taxes and utilities, it has been determined that Sterling Heights should be strongly considered for the continuation of this program.

The project would lead to the retention of up to 5,123 positions at the Sterling Heights facilities and the retained jobs would pay an average weekly wage of \$926, with a generous benefit package.

The project would require an investment of \$506.8 million, including \$282.3 million for new machinery and equipment and \$224.5 million for special tooling. It is anticipated that capital expenditures would begin this year, with production initially targeted for late summer 2006.

It is estimated that this facility will retain a total of 20,782 jobs in the state by the year 2011. We also estimate that the project would maintain total state government revenues through the year 2011, of \$486.9 million due to the retention of this facility.

The State of Michigan will provide the company with an Economic Development Job Training (EDJT) grant of \$500,000 for the retention of the jobs in Sterling Heights. In addition, the State of Michigan will offer 50 percent abatement of the six-mill State Education Tax for a length of time to match the local property tax abatement. The value of this abatement is estimated at \$2.6 million.

The City of Sterling Heights has proposed a 50 percent abatement of the company's new personal property taxes for 12 years at the assembly facility and for at least nine years at the stamping facility. The tax abatement has an estimated value of \$18 million.

Jackie Shinn asked whether the tax abatement question has been before the local board. Mr. Schmidt explained that a letter of support has been written and that the City Council is awaiting an application from the company. The tax abatement is expected to be approved by April 5, 2005.

### **Recommendation**

The Michigan Economic Development Corporation recommends a 40 percent employment retention credit for five years, for the retention of up to 5,123 jobs.

### **Board Discussion**

Faye Nelson gave the Executive Committee report and on behalf of the committee, recommended approval of the requested tax credit.

Hearing no further discussion, a motion was made and supported, and Resolution 2005-05, authorizing a MEGA retention credit for DaimlerChrysler Corporation, was adopted.

## **ACTION ITEM**

*Quicken Loans, Inc.  
20555 Victor Parkway  
Livonia, Michigan 48152*

Quicken Loans is a leading provider of direct-to-consumer home loans, offering mortgages in all 50 states. The company has been awarded two previous MEGA tax credits; one in December of 2000 for the Livonia headquarters, and one in May of 2004 for Troy. The company currently has 1,874 employees in Michigan.

Quicken Loans is continuing to grow and the company needs to increase the size of its web-based sales force in an effort to focus on growth in market share. This expansion would allow Quicken to continue to pioneer technological advances in mortgage lending services. The company would lease 36,000 square feet of office space in Livonia to accommodate the growth. The project would lead to the creation of 200 jobs in the first year of the project and a total of 500 jobs over two years. The new positions would pay an average weekly wage of \$892. We are recommending a look-back credit because the company recruiters are seeking a specific type of employee, and when they identify an appropriate applicant, they need to offer them a position quickly in order to meet their growth needs.

The project would require an investment of \$11 million, including \$5.2 million for capitalized lease costs and \$5.8 million for new computer hardware, servers and office furniture.

It is estimated that this facility will create a total of 1,555 jobs in the state by the year 2010. We also estimate that the project would create total state government revenues through the year 2010, of \$74.9 million due to the location of this facility in Michigan.

Quicken Loans performed a comprehensive analysis of potential sites evaluated on the availability of qualified personnel, cost-effectiveness of the overall business environment, response to marketplace demands, taxing structure and incentives. The focus on locations was narrowed to Livonia and multiple sites in Nevada. The company found that sites in Nevada offered tax savings estimated at \$12 million over five years. In addition, there is a wage differential between Livonia and Nevada of at least five percent, potentially increasing company costs further for a location in Livonia.

The City of Livonia approved the waiver of \$200,000 of parking costs for a City-owned parking lot that Quicken utilizes for worker parking. The waiver was approved on February 9, 2005. Jeff Bryant with the City of Livonia was on hand to express the City's support of this project.

## **Recommendation**

The Michigan Economic Development Corporation recommends a six-year employment tax credit of 100 percent for the initial five years and 50 percent for the sixth year, for up to 500 new employees.

## **Board Discussion**

Faye Nelson gave the Executive Committee report. The Executive Committee recommended approval of the requested tax credit with look-back.

Hearing no further discussion, a motion was made and supported and Resolution 2005-06, authorizing a standard MEGA tax credit with look-back for Quicken Loans, Inc., was adopted.

## **ACTION ITEM**

*DaimlerChrysler North America Holding Corporation  
1000 Chrysler Drive  
Auburn Hills, Michigan 48236*

Fred Hoffman was again introduced. Mr. Hoffman introduced Miles Handy and John Cubba from Redford Township, and Mike McGee from Miller, Canfield. Mr. Hoffman discussed the request for a tax credit for DaimlerChrysler AG's Detroit Diesel Corporation (DDC). Detroit Diesel Corporation is the world's leading manufacturer of heavy-duty diesel truck engines.

DDC is headquartered in Detroit, Michigan, and is engaged in the design, manufacture, sale and service of heavy-duty diesel and alternative fuel engines and engine-related products. DDC offers a complete line of diesel engines from 170 to 515 horsepower for the on-highway market directly and through a worldwide network of authorized distributor locations.

DDC is considering investments that will transform its approximately three million square foot Redford Township manufacturing facility into a "Manufacturing Mall" for DaimlerChrysler Commercial Vehicle Division business units in NAFTA. The project will require major investment into the 65 year-old facility, for four major activities:

Production of a brand new family of heavy-duty diesel engines beginning in 2007, code named HDEP. Locating production at the company's Redford facility will result in the retention of 541 jobs in Michigan. In addition to engine assembly, the company plans to manufacture machine blocks, heads and cylinder liners at the Redford facility. The average wage for assembly of HDEP engines is approximately \$930 per week.

Assembly of Mercedes-Benz (MBE) 900 medium-duty diesel engines beginning in January 2007. Today, these engines are produced in Mannheim, Germany and imported to North America through DDC. Locating assembly in Redford will retain 79 hourly and 12 salaried jobs in Michigan. The average wage for assembly of HDEP engines is approximately \$930 per week.

Production of a brand new particulate matter (PM) filter by Purem North America, LLC, a wholly-owned subsidiary of DaimlerChrysler. Locating Purem operations in the Redford facility will create up to 500 jobs in Michigan. The average wage for Purem is \$529 per week.

Relocation of Sterling Truck Corporation / Western Star Trucks corporate headquarters to DDC's Redford facility. Sterling/Western Star currently maintains offices in Willoughby, Ohio, but will move to the Redford facility, creating up to 100 new jobs in Michigan, paying an average of \$1,129 per week.

As a result of locating these projects in Michigan, total employment is estimated at 1,232 workers, including 632 retained positions, and 600 new jobs in Michigan. Average wages for these positions is anticipated to be \$930 per week for retained workers, and \$720 per week for new workers.

Including facility renovations and infrastructure improvements at the company's Redford facility, the capital investment required for the above four projects is over \$275 million.

It is estimated that this facility will create and retain a total of 2,928 jobs in the state by the year 2017. We also estimate that the project would maintain total state government revenues through the year 2017, net of MEGA cost and adjusted for inflation, of \$104.2 million due to the retention of this facility.

After an extensive site selection process, the Company located a manufacturing facility in Winnsboro, South Carolina. This facility is well-suited to these projects, and wages are approximately 30 percent lower than in Michigan. Approximately two-thirds of the diesel engines produced by DDC are shipped to customers located in the Carolinas, thus offering an outbound logistics advantage. Costs of operations are approximately \$30 million higher per year in Michigan.

The company will be eligible for job training assistance of \$1000 per worker for 143 new workers, or up to \$143,000, under the Economic Development Job Training program.

Redford Township has approved reimbursement for up to \$10.3 million of the company's demolition activities through local Brownfield Tax Increment Financing. The State of Michigan has proposed to provide additional redevelopment assistance through a Brownfield Single Business Tax Credit worth up to \$3 million.

Redford Township has also proposed 50 percent abatement of the company's new personal property taxes for 12 years. If this abatement is approved, the State of Michigan has also offered 100 percent abatement of the six-mill State Education Tax for a length of time to match the local property tax abatement. These abatements have an estimated value of \$18 million.

### **Recommendation**

The Michigan Economic Development Corporation recommends an employment credit of 50 percent for ten years for the retention of up to 632 jobs, and an employment credit of 100 percent for ten years for up to 600 new jobs at the facility.

### **Board Discussion**

Faye Nelson gave the Executive Committee report. The Executive Committee recommended approval of the requested combination of retention credit and standard employment credit.

Hearing no further discussion, a motion was made and supported and Resolution 2005-07, authorizing a standard MEGA tax credit along with a retention credit for DaimlerChrysler North America Holding Corporation, was adopted.

### **ACTION ITEM**

*Recticel North America, Inc.  
5600 Bow Pointe Drive  
Clarkston, Michigan 48346-3155*

Jim Paquet explained the company's request for an extension of its anniversary date. On September 17, 2001, the MEGA adopted Resolution 2001-038, awarding tax credits to Recticel N.A., Inc., for leasing and equipping a new building in Independence Township, Oakland County, to manufacture molded interior components for the automotive industry, expand its North American headquarters, add research and development capabilities, and provide quality laboratories. Recticel committed to maintaining its base employment level of 35 and creating at least 75 new jobs paying a minimum average weekly wage of \$681 by March 31, 2004.

The company failed to create 75 new jobs by its anniversary date due to a delay in the project start date. Recticel planned the start of this project to coincide with General Motors' manufacture of two automobile models for which these molded interior components were intended. General Motors delayed the manufacture of these automobile models; therefore, Recticel's operation start date was delayed.

However, Recticel N.A., Inc. was able to meet the eligibility requirements on May 3, 2004. The company has requested an extension of its anniversary date from March 31, 2004 to May 3, 2004, a period of approximately five weeks.

### **Recommendation**

Staff recommends that the MEGA extend Recticel N.A., Inc.'s anniversary date to May 5, 2004, but that the original schedule of the tax years in which the company is eligible for the credit remains unchanged.

### **Board Discussion**

Faye Nelson gave the report from the Executive Committee. The Executive Committee agrees to the extension and recommends this board action.

Hearing no further discussion, a motion was made and supported, and Resolution 2005-08, extending the anniversary date from March 31, 2004 to May 3, 2004, for Recticel N.A., Inc., was adopted.



## **ACTION ITEM**

*pgam Corporation  
4120 Luella Lane  
Auburn Hills, Michigan 48326*

Jim Paquet explained the company's request for an amendment. pgam Corporation is a tool and die facility that produces low volume manufacturing requirement tools and parts for Ford, General Motors, Bentley and Audi specialty vehicles. The MEGA board approved a 10-year credit for the company on November 15, 2004.

The City of Auburn Hills had proposed an eight-year property tax abatement for the project and was expected to approve it in December. The City approved an abatement of seven years on December 30, 2004, based on criteria established by the City prior to pgam's application.

The MEGA board is being asked to amend its November 15, 2004 resolution to allow the seven-year abatement and to extend the execution deadline for the credit agreement. The estimated value of the eight-year abatement was \$700,000. The value of the seven-year abatement is estimated to be worth approximately \$825,000.

## **Recommendation**

The MEDC recommends that this change be approved.

## **Board Discussion**

On behalf of the Executive Committee, Faye Nelson has recommended approval of this amendment.

Hearing no further discussion, a motion was made and supported, and Resolution 2005-09, amending pgam Corporation's resolution to make the credit contingent on a seven-year tax abatement rather than the eight-year abatement previously approved.

## **ACTION ITEM**

*Scripps Park Associates, L.L.C.  
32605 West Twelve Mile Road, Suite 350  
Farmington Hills, Michigan 48334*

Jeff Kaczmarek introduced Grant Trigger from Honigman, Miller, Schwartz and Cohn. Mr. Trigger presented this project to the board. Scripps Park Associates, LLC is redeveloping a portion of the Jeffries housing site in the City of Detroit. The project is a collaborative effort with the Detroit Housing Commission and the City of Detroit to create residential rental units and single family homes. The City and the Housing Commission have invested approximately \$15 million for demolition of existing structures, replacing

and upgrading utilities, and improving the surrounding streets, and have committed an additional \$5.9 million in construction financing.

The entire project involves multiple phases of construction. Phase one has been completed. It consists of residential rental homes. The history of the project is peppered with problems including the bankruptcy of a contractor, and the delay of committed funds. The second phase of the project consists of the construction of 98 for-sale units at a cost of approximately \$20 million for new construction. The units will be sold at market rate and will range in price from \$150,000 to \$290,000. In order to complete the project, the applicant is pursuing an SBT credit for \$1,500,000.

Brownfield SBT Credits are based on several criteria outlined in the statute. These criteria have been met.

The Detroit Housing Commission and the City of Detroit have committed \$20.9 million to the project. The City and the Housing Commission have invested these funds to demolish existing structures, replace and upgrade utilities, and improve the streets.

The eligible investment to be undertaken in Detroit by Scripps Park Associates, LLC is:

New Construction	\$20,000,000
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The property is blighted and functionally obsolete. The project is the subject of a brownfield plan approved by the City of Detroit Brownfield Redevelopment Authority on January 26, 2005.

### **Recommendation**

The MEDC recommends approval of a Brownfield SBT Redevelopment Credit not to exceed \$1,500,000.

### **Board Discussion**

Faye Nelson gave the Executive Committee report. The Executive Committee recommends approval of the requested SBT credit.

Hearing no further discussion, a motion was made and supported, and Resolution 2005-10, authorizing a Brownfield Redevelopment credit for Scripps Park Associates, LLC, was adopted.

### **ACTION ITEM**

*MOT, LLC  
1526 Broadway  
Detroit, Michigan 48226*

Karen O'Donoghue from Michigan Opera Theater (MOT) was introduced. Ms. O'Donoghue discussed the project and the support of the community for the project. The community will sell bonds and to support a loan to assist this effort.

The project consists of demolition of a functionally obsolete structure and construction of a new 783 space parking structure with 20,000 square feet of commercial/retail frontage along Broadway Avenue in downtown Detroit. The parking structure has been designed to accommodate visitors, support area events, and provide parking to attract residents, complementing the plan of the City of Detroit to revitalize the downtown area. The project has been designed to create commercial/retail space along Broadway Avenue with an outdoor plaza area designed to enhance the public streetscape improvements currently under construction by the City of Detroit Downtown Development Authority.

The Michigan Opera Theater plans to demolish the existing facility in February 2005, and construct the new facility in the following 11 month period to be completed in time for hosting the Superbowl in 2006. The existing facility is an outdated parking garage that can only be used at 50 percent of its capacity due to structural considerations. The credit is up to 10 percent of eligible investments of the project, which includes demolition costs of \$1,026,000, site improvement costs of \$72,030, and new construction costing \$10,492,970.

Brownfield SBT Credits are based on several criteria outlined in the statute. These criteria have been met.

It is anticipated that the project will create four full-time and four part-time jobs for the parking garage, and 50 full-time and 17 part-time jobs for the commercial/retail component.

The unemployment rate for the City of Detroit is 13.6 percent. The project has received a \$1,026,000 loan from the City of Detroit Downtown Development Authority to enable the project to move forward with financing. However, a financial gap still exists and necessitates the applicant to pursue a Single Business Tax credit pursuant to the Brownfield Redevelopment Act.

The eligible investments to be undertaken in Detroit by MOT, LLC include:

Demolition	\$ 1,026,000
Site Improvements	30,800
New Construction	13,677,722
Addition of Machinery, Equipment, and Fixtures	<u>375,000</u>
Project Total	\$ 15,109,522

The property is functionally obsolete. The project is the subject of a brownfield plan approved by the City of Detroit on January 12, 2005.

**Recommendation**

The MEDC recommends approval of a Brownfield Redevelopment Credit of 10 percent of the eligible investment not to exceed a \$1,510,952 credit.

## **Board Discussion**

Don Jakeway asked about the project's completion date(s). Ms. O'Donoghue stated that the parking structure is expected to be complete in October of this year and the retail component should be complete by December, 2005.

Hearing no further discussion, a motion was made and supported and Resolution 2005-11, authorizing a Brownfield Redevelopment credit for MOT, LLC, was adopted.

## **ACTION ITEM**

*Baker Lofts LLC  
200 North Franklin Street  
Zeeland, Michigan 49464*

Jeff Kaczmarek introduced John Byl with Warner Norcross & Judd. Mr. Byl is representing this project and introduced Holland's Assistant City Manager, Greg Robinson, and Scott Bosgraaf, the developer for the Baker Lofts project.

The property contains a functionally obsolete 220,000 square foot building previously utilized for furniture manufacturing since the early 1900's. The previous owner was Baker Furniture Company, who used the building since approximately 1920.

The developer proposes to renovate and restore the manufacturing building located on the corner of Columbia Avenue and East 24<sup>th</sup> Street in the City of Holland. The building will require demolition, asbestos abatement and lead abatement, infrastructure improvements and significant investment to restore it to functional use. The restored building will be used as a combined residential, retail and limited office facility. The total new building will be approximately 220,000 square feet, of which 40,070 square feet will be commercial office and retail space and the remainder will be developed into 160 residential units, which will rent for \$399 per bedroom.

The project is expected to begin this spring, with a completion date in 2007.

Brownfield SBT Credits are based on several criteria outlined in the statute. The criteria have been met.

It is estimated that the project will create over 30 jobs.

According to the Department of Labor and Economic Growth, the City of Holland's unemployment rate was 4.5 percent in November, 2004. This compares to the statewide average of 6.5 percent and national average of 5.2 percent.

The project is using state and local TIF, Neighborhood Enterprise Zone and Historic Tax Credits.

The eligible investments to be undertaken in Holland by Baker Lofts, LLC include renovation and building improvements in the amount of \$14 million.

There are 45.0548 mills available for capture, with school millage equaling 24 mills (53%) and local millage equaling 21.0548 mills (47%). The recommended tax capture breaks down as follows:

School tax capture	\$ 1,064,505 (53%)
Local tax capture	<u>\$ 943,995 (47%)</u>
	\$ 2,008,500

**Project Costs:**

Public Infrastructure	\$ 223,500
Demolition	\$1,117,500
Asbestos/Lead Abatement	\$ 400,000
Work Plan Preparation	\$ 4,000
MEGA Review Cost	\$ 1,000
Contingency (15%)	<u>\$ 262,500</u>
Total	\$2,008,500

The property has been deemed functionally obsolete by the City of Holland. The project is the subject of a brownfield plan approved by the City of Holland on February 2, 2005.

**Recommendation**

The Michigan Economic Development Corporation recommends approval of a MEGA SBT Brownfield Redevelopment Credit of \$1,400,000 based on eligible activities totaling \$14,000,000 and approval of the school tax capture not to exceed \$1,064,505 based on eligible activities totaling \$2,008,500, described above.

**Board Discussion**

Faye Nelson gave the Executive Committee report and recommended approval on behalf of the Executive Committee.

Hearing no further discussion, a motion was made and supported and Resolution 2005-12, authorizing a Brownfield Redevelopment credit for Baker Lofts, LLC, was adopted. A motion was made and supported and Resolution 2005-13, authorizing the capture of school operating taxes for the City of Holland for the Baker Lofts, LLC project, was adopted.

**ACTION ITEM**

*Brownfield Fee Revisions*

Vern Taylor briefly discussed the resolution that was passed last month by the board. Effective January 1, 2005, the resolution created a \$2500 application fee on brownfield redevelopment credit applications for projects requesting \$1 million or less. The \$2500 application fee shall be counted as a down payment against the administrative fee that is required prior to the issuance of the Certificate of Completion.

At staff's request, some companies who were ready to submit applications late in 2004, delayed making their applications until after January 1, 2005. The delay caused applicants to incur the new application fee which would not have been charged in 2004.

After discussion, it was determined that companies who were asked to delay making application for the brownfield credit until after January 1, 2005, and whose credit would be less than \$250,000, would pay an application fee equal to one percent of the value of the credit in lieu of the one percent administrative fee.

### **Board Discussion**

Hearing no further discussion, a motion was made and supported and Resolution 2005-14, altering the brownfield small credit application fee for these select companies, was adopted.

The meeting was adjourned at 11:25 a.m.

The next regularly scheduled meeting of the MEGA board is scheduled for Tuesday, March 15, 2005.