

ADOPTED MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) board was held at the Michigan Economic Development Corporation, 300 North Washington Square, on February 19, 2008 at 10:00 a.m.

Members Present

Faye Alexander Nelson

Keith Cooley

Cullen DuBose

Jim Epolito

Bo Garcia

Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached)

Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached)

Call to Order

Jim Epolito called the meeting to order at 10:05 a.m.

Approval of Minutes from January 22, 2008

After review, a motion was made, supported and carried that board meeting minutes from the January 22, 2008, meeting be adopted.

Public Comment

There was no public comment.

ACTION ITEM

General Dynamics Land Systems Inc.

38500 Mound Road

Sterling Heights, Michigan 48310

Ben Mason introduced Peter Keating, Lawrence Friedman, and Kenneth Thrush with General Dynamics Land Systems Inc., as well as Robert Rhoades with Dickinson Wright, PLLC and Robert Tess from Macomb County. Mr. Keating described the project for the board. General Dynamics Land Systems (GDLS) was formed in 1982 when General Dynamics acquired Chrysler Corporation's defense operations. Today, GDLS has approximately 8,000 employees in 12 states. General Dynamics Corporation, GDLS' parent, headquartered in Virginia, employs approximately 83,500 people worldwide and reported 2007 revenues of \$27.2 billion. The company has leading market positions in land and amphibious combat systems, mission-critical information systems and technologies, shipbuilding and marine systems, and business aviation. Land Systems, headquartered in Sterling Heights, designs and builds armored vehicles and subsystems for the United States and international customers, and is the largest supplier of armored military vehicles.

This project, which could be located in both Sterling Heights and Shelby Township (both in Macomb County) will support the growth in armored vehicles sales and support currently being sustained by the Department of Defense. GDLS includes a significant level of engineering support to the fielded armored vehicles in the fleet. These vehicles include the Stryker family of

vehicles and the Abrams Main Battle Tank program. This expansion will create approximately 500 jobs with an average weekly wage of \$1461. These will be mostly professionals in systems software, mechanical, human factors, and automotive engineering. Capital investment for this project will be approximately \$10 million.

GDLS has three existing alternative facilities, in Virginia, Florida and Ontario, Canada, to consider when planning for this increased research and development activities and proposed investment. The leading sites for this investment are Michigan and Florida. The company employees qualified engineering staff in that state for approximately 9% less than similarly experienced professionals in Michigan. In addition, the state of Florida is offering a tax credit worth approximately \$400,000 annually if GDLS chooses to locate this expansion in the state.

Mike Pohnl provided additional information about the project for the board. It is estimated that this facility will create a total of 1,149 jobs in the state by the year 2020. It is also estimated that the project would increase total state government revenues through the year 2020, of \$43.76 million due to the location of this facility.

The Charter Township of Shelby has proposed a 5-year 50 percent property tax abatement for all new personal property with which the company intends to equip the facility. The estimated value of the property tax abatement is \$70,000. The City of Sterling Heights proposes a 50 percent abatement of the Company's new personal property and real property taxes related to the Project for nine years.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent standard employment tax credit for 12 years, for up to 500 net new jobs.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for General Dynamics Land Systems Inc. and recommends approval of a standard employment credit for 12 years.

Jackie Shinn asked if the company would be building a new facility. Mr. Keaton stated that the company would be building a new facility in Shelby Township and expanding its existing facility in the City of Sterling Heights.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-06, authorizing a MEGA tax credit for General Dynamics Land Systems Inc., was adopted.

ACTION ITEM

*Kaiser Aluminum Fabricated Products, LLC
27422 Portola Parkway, Suite 350
Foothill Ranch, CA 92610*

Amy Banninga introduced Jim McAuliffe with Kaiser Aluminum Fabricated Products, LLC along with Jill Bland from Southwest Michigan First. Mr. McAuliffe described the company for the board. Kaiser Aluminum Corporation was founded in 1946 with the lease and eventual purchase of three aluminum facilities from the United States Government. Over the ensuing

decades, Kaiser Aluminum grew to become involved in virtually all aspects of the aluminum industry, including the mining and refining of bauxite into alumina, the production of primary aluminum from alumina, and the manufacture of fabricated and semi-fabricated aluminum products. Following a recent restructuring, Kaiser Aluminum shed its non-strategic bauxite and alumina operations as well as most of its primary aluminum holdings. The company is now focused on developing the highest-quality fabricated aluminum products for major suppliers and manufacturers in the aerospace, general engineering, automotive and custom industrial markets.

Kaiser Aluminum Fabricated Products, LLC will be a new entity under the parent company, Kaiser Aluminum Corporation. Currently Kaiser employs 14 associates in Michigan with primarily sales functions.

Ms. Bland provided information about the project for the board. Kaiser proposes to create a state of the art extrusion facility that is competitive on a global basis for high quality rod and bar aluminum extrusions. The facility will take in both prime aluminum and recycled aluminum scrap, converting them into billet suitable for extrusion. The operation will be a new facility for Kaiser Aluminum, but builds from its market position that is served today out of facilities in Richmond, Virginia and Tulsa, Oklahoma.

The company has identified a facility located in the City of Kalamazoo within Comstock Township and the Midlink Business Park. Total investment for this project is expected to be \$80 million and will create up to 300 jobs paying an average weekly wage of \$701.

Southwest Michigan First and the local community have provided assistance by evaluating the facility from multiple angles including engineering, environmental, legal and general services. The monetary equivalent of this contribution in staff time and resources is approximately \$20,000.

Amy Deprez provided additional information about the project for the board. It is estimated that this facility will create a total of 717 jobs in the state by the year 2018. It is also estimated that the project would create total state government revenues through the year 2018, of \$19.6 million due to the creation of these new jobs.

Alternatively, Kaiser currently owns and operates an existing facility in Newark, Ohio which has enough room within the facility to locate the proposed equipment within the existing walls. This scenario eliminates building and/or lease costs, as the company already owns the facility, and also reduces the associated transportation costs.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for 10 years, for up to 300 net new employees.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Kaiser Aluminum Fabricated Products, LLC, and recommends approval of a standard employment credit for 10 years.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-07, authorizing a MEGA tax credit for Kaiser Aluminum Fabricated Products, LLC, was adopted.

ACTION ITEM

*Behr-Hella Thermocontrol, Inc.
2852 Daley Drive
Troy, Michigan 48083*

Martina Schlagwein introduced Joseph Schuck with Behr-Hella Thermocontrol, Inc. along with Tony Nowicki from the City of Wixom. Mr. Schuck described the company for the board. Behr-Hella Thermocontrol, Inc. (BHTC) is a U.S. corporation that was incorporated January 2003. It is a subsidiary of Behr-Hella Thermocontrol GmbH located in Lippstadt, Germany. The principal business is the design, development, production, test and supply of climate control units for the automotive and heavy truck market segments. BHTC Group is the volume market leader in Europe and Asia with extensive growth in the North American Free Trade Agreement and India markets. BHTC currently employs 21 associates in Michigan.

Mr. Nowicki discussed the local contribution for the board. The City of Wixom has proposed a 50% abatement of the company's new personal property taxes under PA 198 for five years. The estimated value of this abatement, including Michigan Business Tax reforms, is \$392,000.

Toni Brownfield provided information about the project for the board. BHTC has been producing control units for its customers through a production agreement with two separate contract manufacturers. It is the intent, given a significant contract award with a large customer, to bring production in-house. This would result in an expansion beyond BHTC's existing Troy, Michigan, Center of Expertise.

BHTC is considering where to locate its new manufacturing facility in the United States. Should BHTC choose to locate this operation in Michigan, the project will require capital investment of approximately \$7.9 million, which includes machinery and equipment, lease cost, and leasehold improvements. BHTC is proposing the lease of a facility in the City of Wixom, Oakland County. Over the course of the next five years, BHTC expects to create up to 70 new jobs, paying an average weekly wage of \$879.

It is estimated that this facility will generate a total of 159 jobs in the state by the year 2014. Total state government revenues through the year 2014, would be increased by \$2 million due to the presence of this facility.

BHTC is also considering Findlay, Ohio, for the location of this facility. When comparing the two locations, labor and utility costs in Ohio are less than the Wixom location.

The company is a qualified high-technology business, whose primary business activity is electronic device technology, as defined in the Act.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for seven years, for up to 70 net new employees.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for the Behr-Hella Thermocontrol, Inc. and recommends approval of a high-technology employment credit for seven years.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-08, authorizing a MEGA high-technology tax credit for Behr-Hella Thermocontrol, Inc., was adopted.

ACTION ITEM

*Fabri-Kal Corporation
600 Plastics Place
Kalamazoo, Michigan 49001*

Jim Epolito introduced Gary Galia with Fabri-Kal Corporation, John Byl with Warner Norcross & Judd LLP, Jerome Kisscorni from the City of Kalamazoo, along with Jill Bland from Southwest Michigan First. Mr. Byl described the project for the board. Fabri-Kal Corporation is a Kalamazoo manufacturer of thermoformed products for the foodservice and consumer goods packaging markets. They have outgrown their current manufacturing operation and will relocate those operations to the former Mead facility in Kalamazoo. The former Mead facility is a functionally obsolete facility which has been vacant for a number of years and is in need of substantial reinvestment. The site will allow Fabri-Kal to use rail siding to transport raw materials at more competitive prices. The site is part of the City of Kalamazoo's Brownfield Plan and will allow for the company to add up to 12 extrusion/thermoforming lines when the site is fully utilized.

The company anticipates job creation of 75 to 160 over the next five years. The jobs will pay an average hourly wage of \$15. In addition, 42 jobs will be transferred to this site and retained in Kalamazoo as a result of this project, adding to the 75-80 jobs at the headquarters location. Total employment could exceed 200 people upon full implementation of the project.

Fabri-Kal plans a total investment of \$18 million to \$38.7 million to purchase, renovate and add capacity at this site over the next five years in five phases of investment. Approximately \$35.3 million of which will be in eligible for Brownfield Redevelopment Credit.

Amy Deprez provided additional information about the project for the board. The project is located within the boundaries of the City of Kalamazoo, a qualified local governmental unit and has been deemed functionally obsolete as determined by a level IV assessor. The property is the subject of a Brownfield Plan, duly approved by the City of Kalamazoo on June 7, 2004.

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

The City of Kalamazoo supports this project and anticipates approval of a P.A. 198 tax abatement for real and personal property. The abatement is expected to be approximately \$2 million. In addition the City of Kalamazoo is expected to provide local only Brownfield tax increment financing of approximately \$600,000 for certain eligible expenses. The company will also receive Economic Development Job Training assistance of up to \$50,000 or \$500 for 100 trainees.

The eligible investment to be undertaken by Fabri-Kal Corporation includes:

Phase I	
Site Improvements	\$ 290,000
Restoration, Alteration, Renovation, and Improvement of Buildings	2,942,000
Addition of Machinery & Equipment	+ 2,700,000
	<u>\$ 5,932,000</u>
 Phase II	
Site Improvements	\$ 95,000
Restoration, Alteration, Renovation, and Improvement of Buildings	60,000
Addition of Machinery & Equipment	+ 6,000,000
	<u>\$ 6,155,000</u>
 Phase III	
Site Improvements	\$ 190,000
Addition of Machinery & Equipment	+ 9,300,000
	<u>\$ 9,490,000</u>
 Phase IV	
Site Improvements	\$ 95,000
Addition of Machinery & Equipment	+ 8,600,000
	<u>\$ 8,695,000</u>
 Phase V	
Site Improvements	\$ 95,000
Addition of Machinery & Equipment	+ 4,950,000
	<u>\$ 5,045,000</u>
 Total Eligible Investments	 \$ 35,317,000

Recommendation

The Brownfield Redevelopment staff recommends approval of a MEGA MBT Brownfield Redevelopment Credit of 10% of the eligible investment over five phases, not to exceed a total credit of \$3,531,700. Further, the Brownfield Redevelopment staff recommends approval of the Development Agreement included for the project which requires Fabri-Cal to maintain their Kalamazoo manufacturing employment of 42 jobs and to create 40 new full-time jobs by the end of Phase V.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee has reviewed the proposed brownfield MBT redevelopment tax credit request for Fabri-Kal Corporation and recommends approval.

Keith Cooley asked the anticipated start date for Phase V. Mr. Byl stated they anticipate that Phase V of the project will begin within five to ten years.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-09, authorizing brownfield MBT redevelopment tax credit for Fabri-Kal Corporation, was adopted.

ACTION ITEM

*The Dow Chemical Company
2030 Dow Center
Midland, MI 48674*

Peter Anastor introduced Lowell McLaughlin, Simon Yeung, and Jamie Snead with The Dow Chemical Company as well as Jack Duso from the City of Midland. Peter Anastor discussed the amendment request for the board. The MEGA Board approved a Large SBT Brownfield Redevelopment Tax Credit on February 26, 2003, for The Dow Chemical Company (Dow). The original project included two investments, a \$17.8 million investment in the Custom and Fine Chemical business (Oligo) and a \$227.5 million investment in the Performance Chemical business. The maximum total of credits for the approved projects was \$24,529,000.

The MEGA Board approved an amendment to the project on December 14, 2004. The Performance Chemical investment was put on an indefinite hold due to technology changes and market conditions. The project was amended to replace the Performance Chemical investment with a Dow Automotive resins and adhesive project (Daytona), which provided for eligible investment up to \$149.7 million with a maximum credit of \$8,210,000. The Oligo project remained unchanged.

The Oligo project was completed in 2006 at an approximate cost of \$20 million with the addition of eleven new employees. However, the project was cancelled in 2007 and the employees were dispersed among other Dow business sectors. Dow was not comfortable submitting a certificate of completion for the idled project. Rather, they decided to request an amendment to replace the Oligo project with a new Photovoltaic (PV) project.

Mr. McLaughlin provided additional information about the project for the board. The PV project is a new Dow Building Solutions market providing opportunities in the renewable energy sector. This project involves research and development to further develop new solar cell technology into the design of building materials. It is expected to create 22 new jobs with an investment of approximately \$53.5 million at the site. The project will involve additional renovation to the 1382 building, which will include a new 7,500 square feet addition. There will also be a significant amount of new machinery and equipment installed in the building.

Peter Anastor provided additional information about the project for the board. The Dow Chemical Company is also requesting to amend the project to a multiphase and allow for an additional three (3) years to complete all phases. Phase I would include the Dow Automotive Daytona project with an estimated eligible investment of \$149.7 million with a maximum credit of \$8,210,000. Phase II would include the PV project with an estimated eligible investment of \$53.5 million with a maximum credit of \$1,780,000. There are no changes to the scope of the Daytona project.

The eligible investment to be undertaken by The Dow Chemical Company for the PV project includes:

New Construction	\$ 6,845,200
Restoration, Alteration, Renovation,	

and Improvement of Buildings	8,174,800
Addition of Machinery & Equipment	+ 38,482,700
TOTAL	\$ 53,502,700

The maximum available credit for the PV project will not exceed the \$1,780,000, which was originally approved for the Oligo project.

Recommendation

The MEDC recommends approval of the MEGA MBT amendment request to change the scope of the project to exclude the Oligo project and include the new PV project, change the status of the project from a single phase to a multiphase and to allow for an additional three (3) years to complete the two phases described above. In addition, the MEDC recommends maintaining the MEGA MBT Brownfield Redevelopment Credit of 10% of the eligible investment, up to a \$9,990,000 credit, however, the credit will be available in two phases with Phase I being the Dow Automotive Daytona project, with a credit not to exceed \$8,210,000 and Phase II being the Photovoltaic project, with a credit not to exceed a \$1,780,000 credit.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee has reviewed the proposed brownfield MBT redevelopment tax credit amendment request for The Dow Chemical Company, and recommends approval.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-10, authorizing an amendment to Resolution 2004-94 authorizing a brownfield redevelopment tax credit for The Dow Chemical Company, was adopted.

ACTION ITEM

*City of Battle Creek Brownfield Redevelopment Authority
W.K. Kellogg Institute (WKKI) for Cereal Research Facility Expansion*

Peter Anastor introduced Rod Wright with Kellogg Company, Karl Dehn from Battle Creek Unlimited, and James Harless and Davin Ojala with Soil and Materials Engineers. Mr. Dehn described the project for the board. The current WKKI facility (2 East Hamblin Ave, Battle Creek) will be expanded to include an additional 100,000 square feet to 160,000 square feet of mixed use office, laboratory, and pilot plant facilities space to support Kellogg’s continuing research and development. The six parcels of the eastern portion of the Property will be redeveloped as an asphalt parking lot for Kellogg employees, since the current parking area will be abandoned to make space for the building expansion.

The expanded WKKI facility will include food packaging review rooms, chemistry labs, test kitchens, development labs and a large, flexible production pilot plant where new ideas for food products are tested prior to full-scale production at the company’s manufacturing facilities. New product innovations created at WKKI are eventually produced and marketed all over the world. Kellogg intends to invest approximately \$40 million in the building expansion and land improvements (real property) and approximately \$14 million in machinery and equipment (personal property).

Peter Anastor provided additional information about the project for the board. The project is located within the boundaries of the City of Battle Creek, a qualified local governmental unit, and has been deemed a facility, as verified by MDEQ. The property is the subject of a brownfield plan, duly approved by the City of Battle Creek on January 8, 2008.

Brownfield Work Plan approvals are based on several criteria outlined in the statute. These criteria have been met.

The project will result in the redevelopment of a prominent brownfield site, located in downtown Battle Creek, by a company central to Battle Creek’s history and economic vitality.

The project expansion requires highly specialized facilities and equipment. Therefore, the WKKI expansion will require the blighted, abandoned and/or underutilized buildings existing on portions of the property to be demolished to make way for the current facility expansion.

Kellogg has not committed to a specific head count number for new jobs. However, they have indicated the expansion will provide the capacity to accommodate up to 220 additional employees. The City of Battle Creek’s unadjusted unemployment rate was 7.8% in December 2007. This compares to the statewide seasonally adjusted average of 7.6% for the same period.

Contamination identified in the soils will be reduced by removal of the excess soils and disposal in a licensed landfill during the construction process. The remaining soils will be covered with impervious surfaces or clean soil and landscaping to minimize future exposure and contaminant migration risks.

Kellogg is making an approximately \$54 million investment in facilities and equipment associated with the planned expansion. They will also contribute \$1.5 million toward the estimated \$2.7 million in environmental and infrastructure costs of preparing the brownfield property for redevelopment.

The property is subject to a ten-year Agricultural Processing Renaissance Zone (APRZ) designation. The local community will participate in their portion of the requested TIF.

There are 59.35124 mills available for capture, with school millage equaling 24 mills (40%) and local millage equaling 35.35124 mills (60%). The recommended tax capture breaks down as follows:

School tax capture (40%)	\$ 523,518
Local tax capture (60%)	\$ 771,125
TOTAL	\$ 1,294,643

COST OF MEGA ELIGIBLE ACTIVITIES:

Demolition	\$ 247,767
Public Infrastructure Improvements	307,992
Site Preparation	+ 564,800
Sub-Total	\$1,120,559
Contingency (15%)	168,084
MEGA Work Plan Prep and Review	+ 6,000
TOTAL	\$ 1,294,643

Recommendation

The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$1,294,643, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$523,518.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan request from the City of Battle Creek for the W.K. Kellogg Institute (WKKI) for Cereal Research Facility Expansion project and recommends approval of school tax capture.

Peter Anastor requested the board approve this project provided that WKKI submit an executed development agreement.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-11, authorizing the capture of local and school operating taxes for the City of Battle Creek for the W.K. Kellogg Institute (WKKI) for Cereal Research Facility Expansion project, was adopted.

ACTION ITEM

*City of Grand Rapids Brownfield Redevelopment Authority
Stratus Properties, LLC*

Peter Anastor introduced Kim Beyer with Stratus Properties, LLC, John Byl with Warner Norcross, & Judd LLP, as well as Kara Wood from the City of Grand Rapids. Ms. Wood described the project for the board. The developer plans to demolish the interior and completely renovate a functionally obsolete building in the Heritage Hill District of Grand Rapids. The renovation will include the construction of two additional floors at the top of the existing two story building.

The developer will also repair and completely renovate the existing parking deck. The new/renovated structure will house approximately 20,000 square feet of office space on the first two floors, including some space in the basement. The structure will also house 14 condominiums on the two new floors and will include storage space, a conference room, laundry room and an exercise room in the basement.

In addition to construction jobs, the project is expected to create 30-40 new, permanent full-time jobs. Total capital investment is expected to be nearly \$4.5 million and total eligible investment is expected to be \$3,665,000.

The project is located within the boundaries of the City of Grand Rapids, a qualified local governmental unit, and has been deemed functionally obsolete by a level III assessor. The property is the subject of a brownfield plan, duly approved by the City of Grand Rapids on January 29, 2008.

Peter Anastor provided additional information about the project for the board. Brownfield Work Plan approvals are based on several criteria outlined in the statute. These criteria have been met.

The project will preserve, reuse and add on to a 50 year old, vacant, functionally obsolete building. The project will provide improved office space and new residential housing in the city.

The property is subject to an OPRA and an NEZ has been applied for. Additionally, the developer has requested a MBT credit in the amount of \$366,500.

This project includes both a commercial and residential component. The commercial building rehab is subject to an OPRA until 2018. For the commercial portion of the project there are 45.0621 mills available for capture with school mills equaling 24 mills (53%) and local mills equaling 21.0621 mills (47%). For the residential component, all properties are assumed to become homestead properties in 2011 and, therefore, exempt from the school operating mills. In addition, it is expected that a Neighborhood Enterprise Zone (NEZ) designation will be approved for 12 years, making the residential portion taxed at half the statewide millage average (25.95 mills in 2010 and 16.95 mills in 2011-2021). The projected tax capture breakdown is as follows:

<u>COMMERCIAL (OPRA until 2018):</u>	
School tax capture (53%)	\$ 46,890
Local tax capture (47%)	<u>\$ 6,419</u>
TOTAL	\$ 53,309

<u>RESIDENTIAL (Non-Homestead - 2010):</u>	
School tax capture (53%)	\$ 13,821
Local tax capture (47%)	<u>\$ 12,129</u>
TOTAL	\$ 25,950

<u>RESIDENTIAL (Homestead – 2011 to 2019):</u>	
School tax capture (22%)	\$ 58,001
Local tax capture (78%)	<u>\$ 196,490</u>
TOTAL	\$ 254,491

<u>OVERALL</u>	
School tax capture (36%)	\$ 118,711
Local tax capture (64%)	<u>\$ 215,039</u>
TOTAL	\$ 333,750

COST OF MEGA ELIGIBLE ACTIVITIES:

Demolition & Lead and Asbestos Abatement	\$ 100,000
Site Preparation	<u>+ 185,000</u>
Sub-Total	\$ 285,000
Contingency (15%)	42,750
Work Plan Prep and Review	<u>+ 6,000</u>
TOTAL	\$ 333,750

Recommendation

The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$333,750, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$118,711.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan request from the City of Grand Rapids for the Stratus Properties, LLC project and recommends approval of school tax capture.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-12, authorizing the capture of local and school operating taxes for the City of Grand Rapids for the Stratus Properties, LLC project, was adopted.

ACTION ITEM

*X-Rite, Inc.
3100 44th St. SW
Grandville, Michigan, 49418*

Peter Anastor discussed the amendment request for the board. On April 19, 2005, X-Rite, Inc., was awarded an Employment Credit of 100 percent for fourteen consecutive years, beginning no later than the Company's tax-year ending December 31, 2007. The MEGA and X-Rite entered into the Credit Agreement on June 8, 2005, which reflected the December 31, 2007 date as outlined in the Resolution. Both parties understood that the Anniversary Date was March 31, 2008. This is established by taking one year from the Start of Operations as outlined in the application, which was March 31, 2007. Therefore, the first year the credit could be claimed is December 31, 2008.

However, both Resolution 2005-32 and the Credit Agreement show December 31, 2007 as the first year the credit should be claimed. This is an error in year ending, and by amending the resolution, we are correcting what both parties intended, which is the ability for X-Rite to beginning collecting their Employment Credit with the year ending December 31, 2008.

Recommendation

The Michigan Economic Development Corporation recommends that the Resolution be amended to reflect the date of December 31, 2008 as the tax year ending date for the purpose of collecting the credit. No other changes will occur with respect to the number of years or percentage of credit.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed amendment for X-Rite, Inc., and recommends approval.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-13, authorizing the amendment to Resolution 2005-32 for X-Rite, Inc., was adopted.

ACTION ITEM

Appointment of Designee for Confidentiality Determinations

The MEGA statute states: "A designee of the authority shall make the determination as to whether the authority acknowledges as confidential any financial or proprietary information submitted by the applicant and considered by the applicant as confidential." The primary role of the designee will be to determine whether or not confidential requests from companies meets the criteria outlined in the statute as it pertains to financial and proprietary information. After the designee makes the determination, it will also be their responsibility to document accordingly.

Recommendation

In 2007, when the Board Secretary changed, the Authority had not clearly defined a designee for confidentiality issues. To assure clarity, the Michigan Economic Development Corporation recommends that the MEGA Board Secretary act as the Designee of the Authority for Confidentiality Determinations.

Board Discussion

Faye Alexander Nelson gave the Executive Committee report. The MEGA Executive Committee has reviewed the resolution to appoint a designee for confidentiality determinations and recommends approval.

Hearing no further discussion, a motion was made and supported, and Resolution 2008-14 authorizing the MEGA Board Secretary to act as the Designee of the Authority for Confidentiality Determinations, was adopted.

The meeting was adjourned at 11:15 p.m.

The next board meeting is scheduled to take place on March 18, 2008.