

**MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
FEBRUARY 3, 2009**

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held at the Lansing Community College West Campus, Lansing, Michigan, on February 3, 2009.

MEMBERS PRESENT: James Epolito; Baldomero Garcia; Marty Gibbs (acting on behalf of Stanley “Skip” Pruss, authorization attached); Michael Kapp (acting on behalf of Kirk Steudle, authorization attached); Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached)

MEMBERS ABSENT: Douglas Buckler; Cullen DuBose; Faye Alexander Nelson

CALL TO ORDER: Mr. Epolito called the meeting to order at 10:35 a.m.

APPROVAL OF MINUTES: Mr. Epolito asked for a motion to approve the December 15, 2008 meeting minutes. **Mr. Garcia motioned approval of the minutes. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

APPOINTMENT OF TEMPORARY SECRETARY: **Mr. Garcia motioned to appoint Karla Campbell as Temporary Secretary in Peter Anastor’s absence for the February 3, 2009 MEGA Board Meeting. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

PUBLIC COMMENT: Mr. Epolito opened the floor for public comment. There was no public comment.

STANDARD MEGA CREDITS:

Resolution 2009-001: Great Lakes Towers, LLC – Standard MEGA Credit

Aaron Young, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Gregory Adanin, Chief Executive Officer, and Ian Charles, Chief Financial Officer – Great Lakes Towers, LLC; Pam Stanley, Economic Development Director – Port of Monroe; Richard Barr, Attorney – Honigman Miller

Great Lakes Towers is a new wind turbine tower manufacturing company that plans to locate their first site at the Port of Monroe in Monroe, Michigan. A new custom built 900’x100’ manufacturing facility will be built at the Port of Monroe where the wind turbines will be manufactured and shipped to customers. The land dedicated for this project totals approximately 40 acres. The company intends to be in full production by 2010 and may branch out to make additional wind turbine components in the future. Great Lakes Towers LLC currently has 0 employees in Michigan.

Marcia Gebarowski, MEDC Project Specialist, provided additional information.

Total investment for Great Lakes Towers over five years will be approximately \$19 million. This project will create 152 new jobs with an average weekly wage of \$1,041. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent 10 year standard employment tax credit for up to 152 net new employees, over the company’s employment base of 0.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-001. Mr. Garcia seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-002: Metal and Welding Industries, Inc. dba W Industries – Standard MEGA Credit

Camille Walker, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Bud Kimmel, Vice President of Business Development – W Industries; Kenyetta Hairston-Bridges – Detroit Economic Growth Corporation; Bob Woolley – Plante & Moran

Metal and Welding Industries, Inc. (d/b/a W Industries), founded by its current owners in 1998, is a metal fabrication company that has traditionally been an automotive supplier. The company has recently begun to diversify into the aerospace and defense fields. The company currently has 356 employees in the Michigan. The proposed project will be located in the City of Detroit. The project will include a combination of renovations to an existing facility, as well as the purchase/renovation of a new facility.

Josh Hundt, MEDC Project Specialist, provided additional information.

As a result of this project, approximately 501 jobs will be created over the next five years with an average weekly wage of \$739 and will include an investment of \$36 million. The company will also offer healthcare benefits and pay a portion of the benefit cost.

Recommendation: MEDC staff recommends a 100 percent standard employment tax credit for 10 years for up to 501 new jobs created in excess of the company's employment base of 383.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval. Mr. Epolito asked if there were any questions from the Board. Being none, Mr. Gibbs made a motion for approval of Resolution 2009-002. Mr. Lockwood seconded the motion.* The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-003: MT Acquisitions, LLC dba Models and Tools – Standard MEGA Credit

Bruce Seymore, MEDC Business Development, introduced the guest presenters who provided background information on the company and this project: Jeff Cunningham, Chief Executive Officer – Models & Tools; Jim Ahee – Macomb County

Models & Tools, founded in 1974, began as an automotive fixture and gage builder. In the mid-1980s, the company expanded its product offering to include aerospace assembly tooling, which consists of models, fixtures and various types of assembly tooling. The company recently separated from its automotive customers to focus on the aerospace tooling market. Models & Tools currently has 81 associates in Michigan. In order to accommodate the increased business model, the company will need to relocate to a larger facility, allowing for more overall space and to accommodate the additional height requirements. The company has identified a facility in Shelby Charter Township for this expansion.

Amy Deprez, MEDC Project Specialist, provided additional information.

As a result of this project, approximately 72 jobs will be created over the next five years, with an average weekly wage of \$1,029 and will include an investment of approximately \$6.2 million. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent standard employment tax credit for 10 years, for up to 72 net new employees, over an established employment base of 81.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval. Mr. Epolito asked if there were any questions from the Board. Being none, Mr. Garcia made a motion for approval of Resolution 2009-003. Mr. Lockwood seconded the motion.* The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-004: Tribal Manufacturing, Inc. – Standard MEGA Credit

Susan Novakoski, MEDC Business Development, introduced the guest presenters who provided background information on the company and this project: Joseph Ismert, President and Chief Executive Officer – Tribal Manufacturing; Brent Williams, Mayor Pro-Tem, and Michael Hindenach, Economic Development Corporation – City of Marshall

Tribal Manufacturing, Inc. is a new company that will serve the plumbing industry with brass machined fittings, as well as other parts in the future. The company currently has no associates in Michigan. Tribal Manufacturing will focus its production efforts, initially, on manufacturing brass machined parts for plumbing and mechanical markets, selling through OEM, retail and wholesale distribution. In time and with growth, Tribal will add products, capabilities, and facilities as it grows its brand and expands its intellectual property portfolio and the scope of markets it serves. The company has identified a facility in Marshall that is ideal for this endeavor.

Amy Deprez provided additional information.

As a result of this project, approximately 193 jobs will be created over the next five years, with an average weekly wage of \$568 and will include an investment of \$4.6 million. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent standard look-back employment tax credit for 7 years, for up to 193 net new employees, over an established employment base of 0. The look-back period will be established as of January 22, 2009, employees hired after the establishment of the look-back period will count as qualified new jobs provided that they meet all the requirements outlined in the MEGA Credit Agreement.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval. Mr. Epolito asked if there were any questions from the Board. Being none, Mr. Gibbs made a motion for approval of Resolution 2009-004. Mr. Kapp seconded the motion. The motion carried unanimously – 5 ayes; 0 nays; 0 recused.*

Resolution 2009-005: Wonderstruck Studios, LLC – Standard MEGA Credit

Penny Launstein, MEDC Site Selection and Special Projects Manager, introduced the guest presenters who provided background information on the company and this project: Michele Richards, President – Wonderstruck Studios; Julie May – Integrated Tax Strategies; Dusty Duistermars, Business Attraction Manager – Detroit Economic Growth Corporation

Wonderstruck Studios, LLC, a new business venture, primarily devoted to producing computer-generated (CG) visual effects and animated content in a digital pipeline format. The hardware and software applications result in a variety of content including live-action and CG hybrids, feature films, made-for DVD, video games, television and commercials. The company is the first of its kind in Michigan and proposes to deliver full-scale Hollywood productions from inception to state-of-the-art computer generated 3D software capabilities. Wonderstruck Studios, LLC currently has no employees in Michigan. Wonderstruck Studios intends to create a digital pipeline that will start with one film and add several more content projects over the course of five to seven years.

Wonderstruck will create a state-of-the-art technology production facility in downtown Detroit that provides full-service capabilities for both media and entertainment projects. Additionally, Wonderstruck has contracted with top, award-winning animators in the visual effects business who have committed to re-locating permanently to Michigan. Recognizing that the Michigan workforce does not yet have the required skill set required of Wonderstruck, Wonderstruck has developed an intense training program for potential new Michigan employees.

Greg West, MEDC Project Specialist, provided additional information.

Total investment over five years will be approximately \$85.9 million. This project will create 413 new jobs with an average weekly wage of \$1,729. The company will offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent standard employment tax credit for 12 years, for up to 413 net new employees over an established employment base of 0, subject to the following: Provided that the company create a minimum of 400 jobs, over the employment base of 0, by the end of the seventh year of operations and continues to maintain that number in future years. Failure to do so will result in the remaining years to be forfeited.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-005. Mr. Gibbs seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

HIGH-TECH MEGA CREDITS:

Resolution 2009-006: Atwell-Hicks, LLC – High-Tech MEGA Credit

Karen Lee, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Brian Wenzel, President and Chief Executive Officer, and James Skochelak, Vice President of Finance – Atwell-Hicks, LLC; Vince Nystrom – Ann Arbor SPARK

Atwell-Hicks, LLC, a Land Development Consulting firm, was started in 1905 in Ann Arbor and now has offices in eight states and South Korea. Atwell provides land planning, engineering, surveying and environmental services to the land development community. Currently, the company has 106 associates in Michigan. In response to a changing environment, Atwell is fast becoming a nationally recognized leader in the Alternative Energy Area, namely Wind Power Energy Production and Energy Transmission Corridors for Wind Power Farms. The company is currently looking for a location to house its new Energy Market Group. Atwell Hicks is considering either expanding their current facility in Pittsfield Township or a site in the City of Ann Arbor for the chosen project site.

Amy Deprez provided additional information.

Total capital investment associated with this project will be approximately \$5 million, and approximately 131 new jobs will be created, paying an average weekly wage of \$815. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent seven year high technology employment tax credit for up to 131 net new employees, in addition to an established employment base of 121.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Gibbs made a motion for approval of Resolution 2009-006. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-007: Greenblendz, Inc. – High-Tech MEGA Credit

Jim Donaldson, MEDC Program Manager, introduced the guest presenters who provided background information on the company and this project: Steve Berry, President and Chief Executive Officer – Greenblendz, Inc.; Laurie Johnson, Economic Development Coordinator – City of Auburn Hills; Lynda Earhart, Senior Business Development Representative – Oakland County

Greenblendz, Inc. is a new business venture that has been contracted to design the manufacturing process for their line of commercial cleaning agents using a new nano-technology called PureTi. This technology is used widespread in products throughout Japan and Asia and until now has not been mass produced for commercial use in North America. Currently, Greenblendz does not have any employees in Michigan.

Greenblendz will be purchasing a vacant chemical manufacturing facility in the City of Auburn Hills where they will develop, manufacture and market green focused cleaning chemicals, personal care and specialty coatings such as PureTi and antimicrobial coatings. Greenblendz will invest in R&D and advanced manufacturing processes to lead the way in environmental/health conscious products for the future.

Marcia Gebarowski provided additional information.

Total investment for Greenblendz, Inc. over five years will be approximately \$795,000. This project will create 47 new jobs with an average weekly wage of \$778. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 70 percent seven year high technology employment tax credit for up to 47 net new employees, over an established employment base of 0.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-007. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-008: Maverick Industries, LLC – High-Tech MEGA Credit

Ed Reed, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Thomas A. Grace, President – Maverick Industries, LLC; Scott Fleming, President and Chief Executive Officer – Enterprise Group of Jackson; Rob Rando, Supervisor – Blackman Charter Township; Scott Matherly – Kaneka Texas Corporation

Maverick Industries was established in 2008 and plans to acquire the former Kaneka plant along with the machinery and equipment in the plant. This plant, owned by Kaneka Texas Corporation closed their manufacturing plant near Jackson in August of 2008. Currently, Maverick Industries does not have any employees in Michigan. Maverick Industries will provide packaging support and manufacturing as well as logistical coordination for new and customer owned packaging. They will be manufacturing packaging using advanced materials with many unique properties. In addition to the acquisition of the plant, machinery, and equipment, Maverick will also purchase additional machinery and equipment.

Marcia Gebarowski provided additional information.

Total investment for this project over five years will be approximately \$11 million. This project will create 90 new jobs with an average weekly wage of \$806. The company will also offer health care benefits and pay a portion of the benefit cost

Recommendation: MEDC staff recommends a 100 percent seven year high technology employment tax credit for up to 90 net new employees, over an established employment base of 0.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Gibbs made a motion for approval of Resolution 2009-008. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-009: Motown Motion Pictures, LLC – High-Tech MEGA Credit

Penny Launstein introduced the guest presenters who provided background information on the company and this project: Steve Lemberg, Chief Financial Officer – Nelson Ventures; Khalfani Stephens – Pontiac Growth Group Motown Motion Pictures, LLC, a new business venture, will be both a film studio and a production services company. They anticipate owning a significant interest in (or possibly all of) an animation company and one or more post-production facilities. They have brought together Raleigh Studios, the largest independent studio operator in the United States; the Endeavor Agency, one of the most prominent talent agencies in the film and TV production industry; and three Michigan entrepreneurs to create Motown Motion Pictures. Raleigh will be responsible for managing the studio operations in Michigan.

Endeavor's representation of top talent, both in front of and behind the camera, will greatly assist with the marketing of Motown studio facilities to feature, television and commercial productions. Motown Motion Pictures, LLC currently has 0 employees in Michigan.

The project includes the creation of a new film studio, production services, animation and post-production services company in Pontiac, including 9 sound stages totaling more than 200,000 square feet, nearly 400,000 square feet of support space either for use by Raleigh or for leasing by other companies in the industry, and a training facility.

Greg West provided additional information.

This project will result in the creation of 3,600 new jobs with an average weekly wage of \$824. Total investment over five years will be approximately \$70,723,000. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent high technology employment tax credit for 12 years, for up to 3,600 net new employees over an established employment base of 0, subject to the following: Provided that the company creates a minimum of 3,000 jobs, over the employment base of 0, by the end of the tenth year of operations and continues to maintain that number in future years. Failure to do so will result in the remaining years to be forfeited.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-009. Mr. Garcia seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-010: Stardock Systems, Inc. – High-Tech MEGA Credit

Jeff Sand, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Bradley Wardell, President, and Kim Kolaz, Controller – Stardock Systems, Inc.; Richard Barr – Honigman Miller

Stardock Systems, Inc., a software developer and publisher whose product line includes PC desktop experience software, PC games and PC utilities, has entered into strategic agreements with computer industry leaders such as Dell and Microsoft and distributes its PC games through both traditional channels (e.g., Wal-Mart and Target) and on-line direct distribution channels. Stardock Systems, Inc. currently has 44 employees in Michigan. Stardock will be expanding at their current location in Plymouth Township to allow for the development and implementation of a new PC game in 2009 for distribution through the company's distribution channels.

Greg West provided additional information.

This project will result in the creation of 53 new jobs with an average weekly wage of \$1,084. Total investment over five years will be approximately \$900,000. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: MEDC staff recommends a 100 percent high-technology employment tax credit for 10 years, for up to 53 net new employees over an established employment base of 44.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-010. Mr. Gibbs seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

WORK PLAN APPROVAL:

Resolution 2009-011: City of Livonia – Livonia Market Place (former Livonia Mall)

Joseph Martin, MEDC Community Assistance Specialist, introduced the guest presenters who provided background information on the company and this project: Richard Barr – Honigman Miller; Jack Kirksey, Mayor, and Mark Taormina, City Planner – City of Livonia; Gary Cooper – Livonia Phoenix, LLC

The project entails the redevelopment of a largely vacant space that includes a 500,000 square foot enclosed retail mall originally developed in 1964. The former mall is spread across four-parcels, located at 29504 -29650 Seven Mile Road and has been declared functionally obsolete by a level IV assessor. The total project includes the demolition of the existing mall building, discarded sewer and water infrastructure, and the associated parking lots. After demolition, the site will be redeveloped with new construction of approximately 300,000 square feet of retail space. The remaining 80,000 square feet of retail will be constructed as market conditions permit. To support the new retail development, site improvements such as new parking lots, landscaping, and private driveways will be constructed.

Work Plan Request: The City of Livonia Brownfield Redevelopment Authority has submitted a work plan request for the approval of \$6,580,704 in local and school tax capture.

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

The total capital investment at the property location includes approximately \$60 million in investment, roughly \$35 million of which will be incurred by the developer. The project will enter the Wayne County TURBO program, resulting in the refund of one-half of the taxes on the real property for five years.

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling \$6,580,704, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$3,036,439.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Work Plan Approval request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-011. Mr. Gibbs seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-012: County of Mason/Pere Marquette Township – Fenceline Enterprises, LLC

Joe Agostinelli, MEDC Community Assistance Specialist, introduced the guest presenters who provided background information on the company and this project: Judy Shilander and Clyde Shilander – Developers; Fabian Knizacky, Administrator – Mason County; Troy Cumings – Warner Norcross & Judd

The applicant will demolish the existing building located in Pere Marquette Charter Township and will construct a new building on this one acre parcel to be used for an automotive body shop and service station. The project will allow this small business to move from its leased location on Pere Marquette Lake, open up valuable waterfront for development, and expand its operations.

Work Plan Request: The County of Mason's Brownfield Redevelopment Authority has submitted a work plan request for the approval of \$31,350 in local and school tax capture.

Katharine Czarnecki provided additional information.

The project will preserve the existing eight jobs and is anticipated to generate three new, full-time jobs at an average hourly rate of \$25 per hour. The total capital investment is anticipated to be \$800,000 (includes property acquisition costs). The total eligible investment is anticipated to be approximately \$500,000. The developer is also seeking DEQ TIF for environmental activities totaling \$122,690.

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling \$31,350, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$18,183.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Work Plan Approval request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Gibbs made a motion for approval of Resolution 2009-012. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-013: County of Washtenaw/City of Ann Arbor – MichiGinns Real Estate, LLC

Deborah Stuart, MEDC Community Assistance Specialist, introduced the guest presenters who provided background information on the company and this project: Larry Hiss, Co-Owner – MichiGinns Real Estate, LLC; Harvey Berman and Valerie Brader – Bodman LLP; James Sharba and Brian Bagnick – Hobbs+Black; Jeremy McCallion, Associate Brownfield Planner – Washtenaw County Brownfield Redevelopment Authority

The project will consist of the demolition of the former Michigan Inn located in Ann Arbor. The hotel was originally constructed in 1967 and is now a blighted, functionally obsolete and contaminated property. The property has been vacant for nearly two decades and is the subject of a public nuisance suit brought by Ann Arbor against the former owner. The project will include two phases. This request only relates to Eligible Activities conducted during Phase A: demolition of the existing buildings and associated asbestos and lead based paint abatement and certain site preparation activities.

Work Plan Request: The County of Washtenaw Brownfield Redevelopment Authority has submitted a work plan request for the approval of MEGA eligible activities in the amount of \$526,000 in local and school tax capture.

Katharine Czarnecki provided additional information.

The overall estimated investment will be \$28 Million for the redevelopment. The City of Ann Arbor is supporting this project with local only brownfield TIF capture of approximately \$39,964. This project will likely be seeking additional State incentives related to Phase B, including Brownfield MBT tax credit.

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling \$526,000, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$222,996.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Work Plan Approval request and recommends approval. Mr. Epolito asked if there were any questions from the Board. Being none, Mr. Garcia made a motion for approval of Resolution 2009-013. Mr. Lockwood seconded the motion. The motion carried unanimously – 5 ayes; 0 nays; 0 recused.*

Resolution 2009-014: County of Washtenaw/City of Ypsilanti – American Photo Marketing, Inc. dba SchoolPictures.com

Deborah Stuart introduced the guest presenters who provided background information on the company and this project: Skip Cerier, President – SchoolPictures.com; Jeremy McCallion, Associate Brownfield Planner – Washtenaw County Brownfield Redevelopment Authority

The project will consist of the renovation of two functionally obsolete 1950's elementary school buildings, former Ave Maria University, located at 300 W. Forest in Ypsilanti. The renovation of the two building will include asbestos abatement, lighting, fixtures, various site and infrastructure upgrades to ultimately function as a state-of-the-art yearbook printing house/digital photograph production facility.

Work Plan Request: The County of Washtenaw's Brownfield Redevelopment Authority has submitted a work plan request for the approval of local and school tax capture for MEGA eligible activities in the amount of \$86,800.

Katharine Czarnecki provided additional information.

This redevelopment project is expected to create 24-30 new full time jobs within two years and a total of 80 to 100 new full time jobs within five years. The average salary is projected to range between \$20,000-\$35,000 annually and will be geared toward Eastern Michigan University students seeking valuable internship opportunities. American Photo Marketing is making an approximately \$2,834,000 investment in the initial redevelopment of the property, in addition to the \$1,325,000 purchase price of the property. The City of Ypsilanti is supporting this project with local brownfield TIF capture of approximately \$70,286. This project was also approved for a Brownfield MBT tax credit on December 15, 2008 for 12.5% of the projected eligible investment of \$2,834,000, estimated at a \$354,250 MBT credit.

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling \$86,800, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$31,486.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Work Plan Approval request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Gibbs made a motion for approval of Resolution 2009-014. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

BROWNFIELD MBT CREDIT AMENDMENT:

Resolution 2009-015: Eberspaecher North America, Inc.

Jeff Sand introduced the guest presenters who provided background information on the company and this project:

Mark Bennett – Miller Canfield Paddock and Stone, PLC; Allen Button – Eberspaecher North America

The MEGA Board approved a Large Brownfield Redevelopment MBT credit for the Eberspaecher North America project in Brighton on August 19, 2008. This project is in response to the company's need to address improvements needed as a result of a growing base of automotive customers with a need to meet more stringent EPA emissions requirements for a new large vehicle market. The project included the purchase of an adjacent site which was to be used for the construction of a new building which was going to be used by Eberspaecher. Turmoil in the capital markets has delayed this transaction significantly and ENA is now focused on leasing a separate facility to handle their additional capacity and allow them to meet tight customer timelines rather than constructing the new building addition. The leased facility will remain in Brighton but will not be located on a Brownfield property.

Amy Deprez provided additional information.

As a result of this change, the eligible investment associated with this project has been from \$59.8 million to \$55,368,083.

Recommendation: MEDC staff recommends approval of the amendment request to modify the scope of the project, and to reduce the eligible investment from \$59.8 million to \$55,368,083, thus providing a credit of 12.5% of the amended eligible investment, not to exceed \$6,921,010.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Credit Amendment request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-015. Mr. Gibbs seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

MEGA CREDIT AMENDMENT:

Resolution 2009-016: Eaton Aeroquip, Inc. – MEGA Credit Amendment

Karla Campbell provided background information on the company and this project.

On January 16, 2007 Eaton Aeroquip, Inc. was granted a Retention MEGA for a project encompassing the consolidation of two plants, one in Blackman Township and one in the City of Jackson. Eaton Aeroquip, Inc. began as Aeroquip-Vickers which was acquired by Eaton in total in 1999. The Tax Credit requires the company to retain a minimum of 360 employees and provides a benefit for up to 563 employees. Up to 9 employees may be part of Eaton Aerospace, LLC (Affiliated Business) and up to 14 may be part of Eaton Corporation (Associated Business) and parent. The company has had a number of acquisitions over its history and is now engaging in a staged re-organization of its legal entity ownership structure in response to both demand and national/international tax pressures. To date the company has taken 1 year worth of credit (2007) in the amount of \$1,154,057 for a total of 470 retained jobs. The credit was granted for 100% and for 7 years. The facility and project will be otherwise unaffected by this merger and re-alignment.

Recommendation: MEDC staff recommends the transfer of this MEGA Tax Credit from Eaton Aeroquip, Inc. to Eaton Aeroquip, LLC for the remaining term of 6 years, effective January 1, 2009.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Gibbs made a motion for approval of Resolution 2009-016. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-017: Gestamp Hardtech, Inc. – MEGA Credit Amendment

Karla Campbell provided background information on the company and this project.

In 1996, Plannja Hardtech AB was awarded a MEGA (Resolution 1996-18) for the location, construction and operation of a facility in the City of Mason, Ingham County, which manufactured structural support components for automobiles from hardened steel. The firm is taking steps to streamline its ownership structure and entity types in order to achieve some international tax savings. This restructure is intended to make the company more cost competitive. The Mason facility will be transferred from Gestamp US HardTech, Inc. to Gestamp Mason, LLC. The project will essentially remain unchanged with the exception of the legal entity and EIN change. Employment/investment in this location will be unaffected.

Recommendation: MEDC staff recommends the transfer of this MEGA Tax Credit from Gestamp US HardTech, Inc., to Gestamp Mason, LLC for the remaining term of 12 years, effective January 1, 2009.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-017. Mr. Kapp seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

Resolution 2009-018: Chrysler, LLC – MEGA Credit Amendment

Karla Campbell provided background information on the company and this project.

On April 17, 2007, by Resolution 2007-31, the MEGA Board awarded Chrysler LLC (at that time DaimlerChrysler Corporation) a retention MEGA credit for nine years to retain 400 jobs. As part of this retention credit, Chrysler was required to make a \$500 million investment at two other Chrysler facilities, and in the credit agreement, the investment was to be made at the Sterling Heights Assembly Plant and an axle/powertrain plant, along with a separate investment in the new Trenton engine plant. Because of various economic reasons and the change in ownership in 2007, Chrysler decided not to go forward with the \$500 million investment in the Sterling Heights plant. However, between 2007 and into March 2009, the company has invested, and continues to invest, more than \$537 million in other Michigan Chrysler facilities. Of the \$537 million, \$58 million was invested in the Sterling Heights plant.

Recommendation: Due to the factors outlined above, and because Chrysler has made other investments at Michigan facilities that have non-MEGA state incentives, MEDC staff recommend that the MEGA credit be amended allowing all other Michigan investment between 2007 into the first quarter of 2009 to obtain the \$500 million investment requirement.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-018. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

TECHNOLOGY COLLABORATION CREDIT:

Resolution 2009-019: Approval of Scoring Criteria for Technology Collaboration Credit

Karla Campbell provided background information on the company and this project.

As part of the Michigan Business Tax (MBT), Sec. 407 is intended to engage larger companies in assisting smaller companies with monetary and in-kind contributions to create commercialization pathways, and eventually, jobs. The MBT credit can not exceed \$300,000 and is a refundable credit. The MEGA can authorize 20 credits per year in 2009 and 2010. The details of the credit along with the statutory requirements are outlined in the attached PowerPoint. We hope to bring the first TCC project to the next MEGA Board meeting. Business Development Managers and Portfolio Managers will bring these projects in for initial review where a committee consisting of program administration, packaging and portfolio staff, not related to the particular project, will make a determination if the project should come before the MEGA Board utilizing the scoring criteria as identified in Resolution 2009-019.

Recommendation: MEDC staff recommends approval of the proposed scoring criteria.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Technology Collaboration Credit Scoring Criteria and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-0. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused.

DISCUSSION: Mr. Epolito asked if there were any additional items to be discussed. There was no additional discussion.

ADJOURNMENT: The meeting was adjourned at 12:31 p.m.