

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
May 17, 2011

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, May 17, 2011 at the Michigan Economic Development Corporation, Lake Michigan Conference Room, 300 North Washington Square, Lansing, Michigan.

MEMBERS PRESENT: Andy Dillon (arrived at 10:07 a.m.), Ruth Duquette (acting on behalf of John Nixon, authorization attached), Michael Finney, Tim Herman, Mike Jackson, Bill Martin

MEMBERS ABSENT: None.

CALL TO ORDER: At 10:05 a.m. the meeting was called to order by Mr. Finney.

APPROVAL OF MINUTES: Mr. Finney asked for a motion to approve the April 19, 2011 meeting minutes. **Mr. Martin made a motioned approval of the minutes. Mr. Herman seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays, 0 recused, 1 absent.

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

Treasurer Dillon arrived at 10:07 a.m.

COMMUNICATION: Mr. Finney asked if there were any communication items. Karla Campbell, MEGA Board Secretary, introduced Ellen Graham as the new MEDC Board Relations Liaison.

PROPOSED STANDARD MEGA CREDITS

Resolution 2011-068 – Summit Health, Inc.

David Kurtycz, MEDC Business Development Manager, provided background information and introduced the guest presenters; Douglas C. Finch, COO, Summit Health, Inc.; Ara Topouzian, Economic Development Director, City of Novi; and Mark Adams, Oakland County.

Mr. Finch spoke about details of the project which provides health screening, immunization, and health education services to corporate customers nationwide both directly and through health plans, disease management companies, benefits consultants, and brokers. Mr. Adams spoke briefly regarding the workforce issues facing the company in finding the needed talent within Michigan. Mr. Topouzian thanked the MEGA Board and MEDC staff for their diligence in working to fit this project in Novi.

Robert Wilson, MEDC Project Specialist, provided additional information.

The company plans to invest approximately \$11.3 million, of which \$2,030,584 is lease costs, and create 252 jobs over the next five years, with 82 jobs projected in year one, as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$586. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

Recommendation: MEDC staff recommends a 100 percent standard employment tax credit for 3 years for up to 252 net new employees in excess of the company's established base of 65.

Board Discussion: Mr. Herman gave the Executive Committee Report. The MEGA Executive Committee reviewed the Standard MEGA Credit and recommends approval. Ms. Campbell stated that there were no contingencies related to the project. Mr. Finney asked if there were any questions from the Board. **Treasurer Dillon made a motion for approval of Resolution 2011-068. Mr. Martin seconded the motion.** The motion carried unanimously - 6 ayes; 0 nays, 0 recused, 1 absent.

Resolution 2011-069 – Tianhai Electric North America, Inc.

Christine Roeder, MEDC Business Development Manager, provided background information and introduced the guest presenters; Shane M. Clemens, Corporate Purchasing Manager, Tianhai Electric North America, Inc.; Tom Berger, Chief Building Official, Orion Township; Beth McGuire, Manager of Planning and Community Development, Orion Township; and Lynda Earhart, Senior Business Development Representative, Oakland County.

Mr. Clemens thanked the Board and gave a brief descriptive history of the company. Tianhai Electric North America, Inc. (“Tianhai”) is a wholly owned subsidiary of the publicly traded China Auto Electronics Group Limited. Tianhai was established in 2009 to provide engineering and sales support for the North American automotive wire harness systems market as well as expand the group’s global footprint as a full service harness system supplier. Tianhai will establish its World Headquarters to manage wire harness business for all non-Chinese based OEM platforms as well as manufacturing facilities to produce wire harnesses. The headquarters is to be located in Orion Township, Oakland County. The project will result in the relocation of existing engineering and sales operations from the City of Farmington Hills along with warehousing and manufacturing operations from Texas. Mr. Berger, Ms. McGuire, and Ms. Earhart expressed their support of the project. Mr. Berger indicated the Township will have local support with property tax abatement.

Mr. Wilson provided additional information.

The company plans to invest approximately \$5.4 million, and create 202 jobs over the next five years with 58 jobs projected in year one, as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$927. The company also offers healthcare benefits and plans to pay a portion of the benefit cost.

Recommendation: The MEDC staff recommends a 50 percent standard employment tax credit for 3 years for up to 202 net new employees in excess of the company’s established base of 25.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA credit and recommends approval. Ms. Campbell stated there was one contingency, that the community approve a property tax abatement. Mr. Finney asked if there were questions from the Board. Treasurer Dillon asked the company if manufacturing was planned or only research and development. The company confirmed that manufacturing was part of the plan. Mr. Finney asked if there were any additional questions from the Board. **Mr. Martin motioned for approval of Resolution 2011-069. Treasurer Dillon seconded the motion.** The motion carried unanimously - 6 ayes; 0 nays, 0 recused, 1 absent.

PROPOSED HIGH-TECH MEGA CREDITS

Resolution 2011-070 – Kenersys Americas, LLC

Martina Schlagwein, MEDC Europe Business Development Manager, provided background information and introduced the guest presenters; Paulo Soares, Managing Director, Kenesys Europe; Mark Miller, City of Troy; Birgit Klohs, President & CEO, The Right Place; and Lynda Earhart.

Mr. Soares provided the Board with a brief background and history of the project. Kenersys America, LLC is a newly formed business entity of the Kenersys Group, a global wind turbine manufacturing company with in-depth knowledge of sales, project development, manufacturing and marketing for high-quality wind-turbines. The Kenersys Group is headquartered in Muenster, Germany. The headquarters for the Midwestern facility will be located in Troy, Michigan. The manufacturing location is yet to be determined. The family of companies claims to provide the highest selling turbine in the European and Indian wind markets and has designed a vast range of wind turbines. Ms. Klohs explained that The Right Place will assist in identifying suppliers and customers for the Kenersys product. Ms. Earhart and Mr. Miller expressed their support of the project.

Josh Hundt, MEDC Senior Project Specialist, provided additional information.

The company plans to invest approximately \$10.2 million, of which \$437,000 is lease costs, and create 160 jobs over the next five years.

Recommendation: The MEDC staff recommends a 5 year high technology employment tax credit for this project. The credit percentage will be 50% for years 1-3 and 100% for years 4-5 for up to 160 net new employees.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval. Ms. Campbell stated that there was one contingency; that the company must identify a Michigan manufacturing project site acceptable to the MEGA Board and secure local support by the end of year 3 of the credit. Failure to do so will result in the forfeiture of all remaining credit years. Mr. Finney asked if there were any questions from the Board. Mr. Martin asked if this would be assembly operations. Mr. Soares confirmed the project was primarily assembly using an existing U.S. supply base. Mr. Finney stated that he was proud of this open source economic development. **Mr. Martin motioned approval of Resolution 2011-070. Mr. Herman seconded the motion.** The motion carried unanimously - 6 ayes; 0 nays, 0 recused, 1 absent.

PROPOSED BROWNFIELD WORK PLANS

Resolution 2011-071 –Detroit Brownfield Redevelopment Authority - 1660 West Grand - City of Detroit

Katharine Czarnecki, MEDC Managing Director, Community Development and Strategic Partners provided background information and introduced the guest presenters; Shelle Brooks, Owner; and Richard Barr, Attorney.

Mr. Barr spoke about the details of the project which is a scattered site project designed to purchase and rehabilitate three residential structures and convert the structures into a total of 13 rental housing units in the City of Detroit. The City of Detroit has submitted an Act 381 Work Plan request for the approval of local and school tax capture for MEGA eligible activities in the amount of \$41,121. Ms. Brooks thanked the MEDC for their coordinated assistance with the City of Detroit, Wayne County, State of Michigan and Detroit Economic Growth Authority to make this project happen.

Ms. Czarnecki provided additional information.

The project is located within the boundaries of the City of Detroit, which is a Qualified Local Governmental Unit that has deemed the location functionally obsolete as verified by a level III assessor. The property is the subject of a Brownfield Plan, duly approved by the City of Detroit on March 1, 2011.

Recommendation: The MEDC staff recommends approval of local and school tax capture for the MEGA eligible activities totaling \$41,121. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$29,895.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Ms. Campbell stated there were no contingencies related to the project. Mr. Finney asked if there were any questions from the Board. **Mr. Herman motioned for approval of Resolution 2011-071. Mr. Martin seconded the motion.** The motion carried unanimously - 6 ayes; 0 nays, 0 recused, 1 absent.

Resolution 2011-072 – Detroit Brownfield Redevelopment Authority – 1900/1905 West Grand – City of Detroit

Ms. Czarnecki provided background information and introduced the guest presenters: Shelle Brooks and Richard Barr.

Mr. Barr provided the Board with details of the project which is a scattered site project designed to purchase and rehabilitate three residential structures and convert the structures into a total of 13 rental housing units in the City of Detroit. The City of Detroit Brownfield Redevelopment Authority has

submitted an Act 381 Work plan request for the approval of local and school tax capture for MEGA eligible activities in the amount of \$120,409. Ms. Brooks thanks the MEGA Board and MEDC staff for their assistance in making this project happen.

Ms. Czarnecki provided additional information.

The project is located within the boundaries of the City of Detroit, which is a Qualified Local Governmental Unit that has deemed the location functionally obsolete as verified by a level III assessor. The property is the subject of a Brownfield Plan, duly approved by the City of Detroit on March 1, 2011. The project was approved for a 12.5% Brownfield MBT credit not to exceed \$96,412 on March 22, 2011. For the overall West Grand project (3 total homes), the City of Detroit has committed \$1,249,892 from the Neighborhood Stabilization Program Loan. In addition, the applicant has requested an Obsolete Property Rehabilitation Act (OPRA) property tax abatement from the City of Detroit valued at \$211,037.

Recommendation: The MEDC staff recommends approval of local and school tax capture for the MEGA eligible activities totaling \$120,409 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$83,116.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Ms. Campbell stated there are no contingencies. Mr. Finney asked if there were any questions from the Board.

Treasurer Dillon motioned for approval of Resolution 2011-072. Mr. Jackson seconded the motion. The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2011-073 – East Lansing Redevelopment Authority – The St. Anne Redevelopment – City of East Lansing

Ms. Czarnecki provided background information and introduced guest presenters; Tim Dempsey, City of East Lansing; and Anne Jamieson-Urena, AKT Peerless.

Ms. Jamieson spoke about the demolition, contamination and resultant mix-use redevelopment project. Mr. Dempsey offered information on the leverage of private investment and storm and sewer upgrades. The East Lansing Brownfield Redevelopment Authority has submitted an Act 381 Work Plan request for the approval of local and school tax capture for MEGA eligible activities in the amount of \$1,530,209. The project will demolish two commercial buildings and construct a single, four-story mixed-use development. The project will invest approximately \$728,000 in public infrastructure improvements, including the creation of a public amphitheater and green space. The project is also support 25% of required storm, sewer, road, curb and sidewalk infrastructure improvements, originally planned by an adjacent new development project.

Ms. Czarnecki provided additional information. The project is located within the boundaries of the City of East Lansing, which is a Qualified Local Governmental Unit, and has been deemed a facility as verified by the Michigan Department of Environmental Quality (DEQ).

Recommendation: The MEDC staff recommends approval of local and school tax capture for the MEGA eligible activities totaling \$1,530,209 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$565,616.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Ms. Campbell stated there were no contingencies. Mr. Finney inquired when the City could expect approval of their application for clean-up from DEQ. Ms. Jamieson answered the approval is expected by the end of July, however, they will be moving forward prior to approval with the demolition. Mr. Dillon inquired about the cost for the clean-up if the DEQ does not approve the application. Ms. Jamieson was confident of the approval, but knew that it would be at-risk costs. Mr. Finney asked if there were any further questions from the Board. **Treasurer Dillon motioned for approval for Resolution 2011-073. Mr. Jackson seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2011-074 – Grand Rapids Redevelopment Authority – Wealthy Jefferson Development Initiative Parcel B – City of Grand Rapids

Ms. Czarnecki provided background information and introduced the guest presenters; Jonathan Bradford, COO, Inner City Christian Federation; Jim Reminga, Consultant, Crossroads Ventures; Kara Wood, City of Grand Rapids; and Michael Wright, Colliers International.

Mr. Wright thanked the MEDC and the City of Grand Rapids for their support of this project. Mr. Bradford provided the Board with information regarding the history and evolution of this project which is located in a chronically disinvested area of Grand Rapids. The project will support the redevelopment of a currently underutilized city block with mix of multi-story, mixed-use apartments, townhouses, associated parking, streetscape improvements, and includes reconstruction of approximately 1,500 feet of Logan Street. Asbestos abatement will be carried out prior to house demolitions. Site will be cleared and grubbed in order to prepare it for development. Ms. Wood assured the City's continued support of the project.

Ms. Czarnecki provided additional information.

The project is located within the boundaries of the City of Grand Rapids, which is a Qualified Local Governmental Unit, and has been deemed a facility as verified by the Michigan Department of Environmental Quality (DEQ). The property is the subject of a Brownfield Plan duly approved by the City of Grand Rapids on April 19, 2011. On April 29, 2011, MEGA supported the initial phase of mixed-use apartment and associated parking construction on the north end of the parcel with approval of a Small MBT Brownfield Tax Credit of \$696,525. The City of Grand Rapids has reserved \$5,200,000 in Neighborhood Stabilization Program 2 funds for the project, and Grand Valley Metro Council dedicated \$37,070 of an EPA Petroleum and Brownfields Assessment Grant to it.

Recommendation: The MEDC recommends approval of local and school tax capture for the MEGA eligible activities totaling \$1,097,299 described above. Utilizing the current state to local capture ration, the amount of school tax capture for this project is estimated to be \$482,812.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Ms. Campbell stated there were no contingencies. Mr. Finney asked if there were any questions from the Board. **Mr. Martin made a motioned approval for Resolution 2011-074. Treasurer Dillon seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BROWNFIELD MBT CREDIT

Resolution 2011-075 – General Motors, LLC – Detroit

Bruce Seymore, Business Development Manager, provided background information and introduced guest presenters; Brian O'Connell, GM; Curt Loehr, GM; Troy Kennedy, GM; Candace Butler, GM; Nancy Bourgeois, Economic Development Director, City of Warren; and Louis Schimmel, Executive Administrator, City of Warren.

Mr. Lare outlined the parameters of the project. This project will redevelop and expand the General Motor's (GM) Cadillac Building on approximately 30 acres of property located at 30009 VanDyke Avenue in the City of Warren. The project will support GM's Information Technology infrastructure and will become a new critical facility operations template for the company. The site will house a consolidated data center and become the location of existing GM IT laboratory and IT engineering centers. The project site will also serve as the location for GM's IT data serves. Mr. O'Connell, Mr. Kennedy thanked the MEGA Board, MEDC staff, and City of Warren for their efforts to bring this project to fruition. Ms. Bourgeois and Mr. Schimmel expressed the City of Warren's support for the project.

Phil Santer, Capital Services Associate, provided additional information.

The project is located within the boundaries of the City of Warren, which is a Qualified Local Governmental Unit and has been deemed functionally obsolete as verified by a level III assessor. The property is the subject of a Brownfield Plan, duly approved by the City of Warren on April 26, 2011. The City of Warren is supportive of this project and has passed a 12-year real and personal property tax

abatement under P.A. 1978 of 1974 related to the investment. The estimated value of the abatement is up to \$9.9 million.

Recommendation: The MEDC staff recommends approval of a 12.5% Brownfield MBT Credit, not to exceed \$10 million.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Credit and recommends approval. Ms. Campbell stated there are two contingencies (1) Any environmental contamination encountered at the site will be dealt with as required to protect the public health, safety and welfare, and environment; and (2) The Applicant submits at least half of the Administrative Fee within six months of the date of this Resolution. Mr. Finney asked if there were any questions from the Board. **Mr. Jackson motioned approval for Resolution 2011-075. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED MEGA CREDIT AMENDMENTS

Resolution 2011-076 – Clairvoyant Energy Solar Panel Manufacturing, Inc. – Extension of Time to Enter into Photovoltaic Michigan Business Tax Credit – Wixom

Jonathon Younkman, MEGA Program Specialist and Team Leader, provided background information.

On October 6, 2009, by Resolution 2009-165, the Michigan Economic Growth Authority awarded a Photovoltaic Tax Credit to Clairvoyant Energy Solar and Panel Manufacturing, Inc. The Resolution required that an Agreement be entered into within 90-days of the effective of the Resolution, and may be extended by staff for an additional 30 days with cause. As of today, the parties have not entered into the agreement. The company had not previously entered into an agreement, as was the recommendation of the MEDC, until certain additional funding sources were secured. The company has since brought it to the attention of staff that having not secured the award through an executed agreement is limiting the company's ability to leverage the additional funding as required.

Recommendation: The MEDC staff recommends that the parties be allowed to extend the time to enter into the agreement to 60-days from the effective date of this proposed Resolution, and that the agreement contains a provision requiring the company to secure funding, from either public or private sources that adequately meet the needs of the project as proposed. All other aspects of the project and the resolutions remain the same.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell stated there are no contingencies. Mr. Finney asked if there were any questions from the Board. **Treasurer Dillon made a motion for approval of Resolution 2011-076. Mr. Jackson seconded the motion.** The motion carried unanimously – 6 ayes, 0 nays; 0 recused; 1 absent.

Resolution 2011-077 – Hino Motors Manufacturing U.S.A., Inc. – Base Employment Level Correction - Farmington Hills

Mr. Younkman provided background information.

On September 23, 2008, by Resolution 2008-115, the Michigan Economic Growth Authority awarded a High-Tech MEGA Credit to Hino Motors Manufacturing U.S.A., Inc. The credit was awarded for a maximum of 34 Qualified New Jobs above a Base Employment Level of 38. The Company discovered that 12 employees, which were originally counted as full-time jobs of the Company and included in the Base Employment Level, were in fact foreign nationals and did not have Social Security withheld as required by statute. The Company has provided W-2s in support of their claim, as well as a sworn affidavit from the member of the company's Board of Directors. As such, these individuals should not have been included in the initial establishment of the Base Employment Level.

Recommendation: MEDC staff recommends that the Base Employment Level be correctly set at 26 and that this change take effect August 15, 2008. All other terms and condition of the credit remain unchanged.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval. Ms. Campbell stated there are no contingencies. Mr. Finney asked if there were any questions from the Board. **Mr. Jackson made a motion for approval of Resolution 2011-077. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2011-078 – Magna Electronics, Inc. (523) – Transfer of Tax Credit - Troy

Mr. Younkman provided background information.

On March 17, 2009, by Resolution 2009-44, the Michigan Economic Growth Authority awarded a High-Tech MEGA Credit to Magna Electronics, Inc. The incentive was for the company's "BluWav" electric and hybrid vehicle component manufacturing project. On August 31, 2010, Magna International, the parent of Magna Electronics, spun off its E-Car Systems operations and reassigned all projects into the new entity Magna E-Car USA, LP (E-Car). Under this reorganization, the "BluWav" project and essential personnel were reassigned to E-Car.

Recommendation: The MEDC staff recommends that the High-Tech MEGA Credit awarded to Magna Electronics, inc. be transferred to the newly established Magna E-Car USA, LP. Magna Electronics will remain a Related Business for Base Employment Level purposes only under this credit. Staff further recommends that this change be effective August 31, 2010. All other terms and conditions of the credit remain unchanged.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell stated there were no contingencies. Mr. Finney asked if there were any questions from the Board. **Mr. Martin made a motion for approval of Resolution 2011-078. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2011-079 – Magna Electronics, Inc. (598) – Transfer of Tax Credit – Troy

Mr. Younkman provided background information.

On December 15, 2009, by Resolution 2009-216, the Michigan Economic Growth Authority awarded a Standard MEGA Credit to Magna Electronics, Inc. The incentive was for the company's expansion of its electric propulsion systems and components for automotive, commercial, industrial, and military applications. On August 31, 2010, Magna International, the parent of Magna Electronics, spun off its E-Car Systems operations and reassigned all projects into the new entity Magna E-Car USA, LP (E-Car). Under this reorganization, the electric propulsion expansion project and essential personnel were reassigned to E-Car.

Recommendation: The MEDC staff recommends that the Standard MEGA Credit awarded to Magna Electronics, Inc. be transferred to the newly established Magna E-Car USA, LP. Magna Electronics will remain a related business for Base Employment Level purposes only under this credit. Staff further recommends that this change be effective August 31, 2010. All other terms and condition of the credit remain unchanged.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell stated there were no contingencies. Mr. Finney asked if there were any questions from the Board. **Mr. Jackson made a motion for approval of Resolution 2011-079. Mr. Martin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2011-080 – RIIS, L.L.C. – Average Weekly Wage Amendment – Troy

Mr. Younkman provided background information.

On February 17, 2009, by Resolution 2009-25, the Michigan Economic Growth Authority awarded a High Tech MEGA Credit to RIIS, L.L.C. One of the conditions of the credit was that the company must maintain an Average Weekly Wage of \$1,832. The Company's wages, on average, exceed the minimum requirement and the original estimated amount. However, several employees at the company opted to maximize pre-tax retirement contributions, thereby dropping the Average Weekly Wage below the

minimum requirement. The company was able to minimally meet the requirement to claim the credit for FY 2009, but due to this issue, the company would not be able to qualify for FY 2010. The company has requested MEGA re-establish the minimum Average Weekly Wage requirement at a level consistent with the retirement contribution practices of several employees at the company.

Recommendation: MEDC staff recommends the Average Weekly Wage requirement for RIIS, L.L.C. be reset to \$1,635. All other aspects of the project and the resolution remain the same.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell stated there are no contingencies. Mr. Finney asked if there were any questions from the Board. **Ms. Duquette made a motion for approval of Resolution 2011-080. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2011-081 – Xtreme Power, Inc. – Extension of Time to Enter into Battery Cell Manufacturing Agreement – Wixom

Mr. Younkman provided background information.

On October 6, 2009, by Resolution 2009-166, the Michigan Economic Growth Authority awarded Xtreme Power, Inc., a Battery Cell Manufacturing Tax Credit. The Resolution required that an Agreement be entered into within 60-days of the effective date of the Resolution. As of today, the parties have not entered into an agreement. The company has not previously entered into an agreement, as was the recommendation of the MEDC, until certain additional funding sources were secured. The company has since brought it to the attention of staff that having not secured the award through an executed agreement is limiting the company's ability to leverage the additional funding as required.

Recommendation: MEDC staff recommends the parties be allowed to extend the time to enter into the agreement to 60-days from the effective date of this proposed Resolution, and that the agreement contains a provision to require the company to secure funding, from either public or private sources, that adequately meets the needs of the project as proposed. All other aspects of the project and resolutions remain the same.

Board Discussion: Mr. Herman gave the Executive Committee Report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell stated there were no contingencies. Mr. Finney asked if there were questions from the Board. **Mr. Martin made a motion for approval of Resolution 2011-081. Ms. Duquette seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Mr. Finney returned to Resolution 2011-068 which was adopted for Summit Health, Inc. The average weekly wage for Summit Health, Inc. is \$568, not \$586 as discussed and adopted in the resolution. Mr. Finney asked for a motion to correct the average weekly wage term. **Mr. Martin made a motion to amend something previously adopted to correct the term of the average weekly wage for Summit Health to \$568. Treasurer Dillon seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

ADJOURNMENT: The meeting was adjourned by Mr. Finney at 11:11 a.m.