

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
June 15, 2010

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, June 15, 2010 at the Michigan Economic Development Corporation (MEDC) building, Lake Michigan Room, 300 N. Washington Sq., Lansing, Michigan.

MEMBERS PRESENT: Douglas Buckler; Susan Corbin (acting on behalf of Stanley “Skip” Pruss, authorization attached); Baldomero Garcia; Tim Herman; Robert Kleine; Greg Main (non-voting member); Laura Mester (acting on behalf of Bob Emerson, authorization attached)

MEMBERS ABSENT: Cullen DuBose

CALL TO ORDER: Mr. Kleine called the meeting to order at 10:34 a.m.

APPROVAL OF MINUTES: Mr. Kleine asked for a motion to approve the May 18, 2010 meeting minutes. **Mr. Buckler motioned approval of the minutes. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent

PUBLIC COMMENT: Governor Jennifer M. Granholm addressed the Board and companies in attendance. Governor Granholm thanked the companies for expanding and growing in Michigan, stating that there would be over 10,000 jobs created or retained from the actions at the Board meeting. Governor Granholm indicated that the investments being talked about represent the continued diversification of Michigan. Governor Granholm spoke about the Detroit Diesel project being won over from a bid from Mexico, and thanked company officials for their continued investment in Michigan. Governor Granholm thanked the MEDC for the work that went into attracting these companies to Michigan, and thanked each CEO for bringing their companies to Michigan.

PROPOSED BROWNFIELD WORK PLAN APPROVALS:

Resolution 2010-075: City of Alpena – Dean Arbour Ford

Kent Kukuk, MEDC Community Assistant Specialist, provided background information for the action and introduced guest presenters: Greg Sundin, Planning and Development Director, City of Alpena; Larry Studley, General Manager, Dean Arbour Ford Alpena; Margaret A. O’Riley, O’Riley Consulting; and Mac McClelland, Environmental Consultant, Otwell Mawby PC.

Mr. Studley indicated that this project would be a removal of a blighted and decaying motel, and that the location was the gateway for the community. Mr. Sundin indicated that the creation of 10 jobs and an investment of over \$2 million was huge for the community.

Katharine Czarnecki, MEDC Community Programs Manager provided additional information and recommendations.

Ms. Czarnecki indicated that the company would invest approximately \$2.25 million as a result of this project and create 10 new jobs.

Recommendation: MEDC Staff recommends approval of local and school tax capture for the eligible activities totaling \$221,500. Utilizing the school to local tax capture ratio, the amount of school tax capture for this project is estimated at \$208,114.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-075. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BROWNFIELD MBT APPROVALS:

Resolution 2010-076: Federal Building Partners, LLC – Federal Building

Sarah Rainero, MEDC Program Analyst, provided background information for the action and introduced guest presenters: Joe Hooker, Development Services Manager, Christman Capital Investment Group; Kara Wood, Economic Development Director, City of Grand Rapids..

Mr. Hooker indicated that the project could not move forward without the Board's approval of the Brownfield MBT credits. Mr. Hooker indicated that the project was scheduled to begin this fall, and be complete by the winter of 2012. Ms. Wood indicated that this building has been vacant for several years, and occupies a full block in downtown Grand Rapids. Ms. Wood indicated that the community was very excited to have this redevelopment occur.

Katharine Czarnecki provided additional information and recommendations.

Ms. Czarnecki indicated that the company would invest approximately \$28.5 million as a result of this project and create 13 new jobs.

Recommendation: MEDC Staff recommends the designation of an Urban Development Area Project (UDAP) and approval of a 20% Brownfield MBT Credit, not to exceed \$4,173,054.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-076. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-077: Ford Motor Company (Ford)

Aaron Young, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Gabby Bruno, Government Relations, Ford Motor Company; and Jim Paquet, City of Wayne.

Ms. Bruno indicated that this project is a consolidation of the next generation hybrid/electric vehicle at the Wayne Stamping facility. Ms. Bruno indicated that Ford is committed to Michigan and that this project will help to retain thousands of jobs in the State. Mr. Paquet indicated that the proposed Brownfield MBT credits are essential to this project.

Mr. Buckler thanked Ford for the great commitment to Michigan, and asked them to continue to look for Michigan based suppliers for these type of projects, in order to continue to grow jobs in the State.

Josh Hundt, MEDC Project Specialist provided additional information and recommendations.

Mr. Hundt indicated that the company would invest approximately \$100 million as a result of this project and retain 100 jobs.

Recommendation: MEDC Staff recommends approval of a 12.5% Brownfield MBT Credit, not to exceed \$10,000,000.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-077. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

[Doug Buckler leaves the Meeting]

PROPOSED HIGH-TECH MEGA CREDITS:

Resolution 2010-078: Grand River Interactive, LLC (GRI)

Kasey Green, MEDC Business Development Manager, provided background information for the action and introduced guest presenters; Scott Robertson, President & CEO, GRI; and Jennifer Owens, Vice President, Ann Arbor SPARK.

Mr. Robertson indicated that GRI has been expanding rapidly over the past two years, and needs to expand its facilities. Ms. Owens indicated that the community is very excited about this project and wants them to continue to grow in Ann Arbor. Ms. Owens indicated that SPARK paid the application fee in support of this project.

Ken Murdoch, MEDC Program Specialist, provided additional information and recommendations.

Mr. Murdoch indicated that the company would create 48 jobs with an investment of \$1,017,200 as a result of this project.

Recommendation: MEDC Staff recommends a 75 percent high-technology employment tax credit for five years for up to 48 net new employees in excess of the company's established base of 10.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2010-078. Mr. Garcia seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

[Doug Buckler returns to the Meeting]

Resolution 2010-079: NanoBio Corporation

Kasey Green provided background information for the action and introduced guest presenters: David Peralta, Chief Operating & Financial Officer, NanoBio; and Jennifer Owens, Vice President, Ann Arbor SPARK.

Mr. Peralta indicated that NanoBio is a biopharmaceutical company that specializes in vaccines, and will be building the first vaccine center in Michigan. Ms. Owens indicated that the community is very supportive of the project and will be considering a PA198 for the project.

Phil Santer, MEDC Project Specialist, provided additional information and recommendations.

Mr. Santer indicated that the company would create 32 jobs with an investment of \$1.47 million as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent high-technology employment tax credit for five years for up to 32 net new employees in excess of the company's established base of 20.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-079. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-080: Nexcess.net, LLC

Davide Kurtycz, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Chris Wells, President, Nexcess.net; Kurt Brauer, Warner Norcross & Judd; Rochelle Freeman, City of Southfield; Mark Adams, Oakland County; and Caroline Bennett, DTE Energy.

Mr. Wells indicated that Nexcess.net is a datacenter that offers customers a multitude of web hosting services through their own software, and that Nexcess.net chose Michigan because of the creative incentives offered. Mr. Wells indicated that the company was very close to moving to Indianapolis or Chicago, but that the MEDC made a strong case for Michigan. Ms. Bennett indicated that DTE was very supportive of this project. Mr. Adams indicated that projects like Nexcess.net were great for Oakland County and the State. Ms. Freeman indicated that the City of Southfield was prepared to provide a PA328 in support of the project.

Marcia Gebarowksi, MEDC Project Specialist, provided additional information and recommendations.

Ms. Gebarowski indicated that the company would create 41 jobs with an investment of \$4.2 million as a result of this project.

Recommendation: MEDC Staff recommends a 75 percent high-technology employment tax credit for six years for up to 41 net new employees in excess of the company's established base of 23. Contingent on the following: The company must create and maintain 40 qualified new jobs by year five to be eligible for the sixth year of the credit. Failure to do so will result in the forfeiture of the sixth year.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2010-080. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-081: SPX Corporation

Michelle Elder, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Charlie Yankitis, Director of Business Development, SPX; Gina Cavaliere, Director of Community, Economic and Downtown Development, City of Warren; Nancy Bourgeois, Assistant Director of Community, Economic and Downtown Development, City of Warren; and Camille Silda, Macomb County.

Mr. Yankitis indicated that SPX is a Fortune 500 company, and that SPX will be expanding and working with many companies on plug in vehicles. Mr. Yankitis indicated that it is a very exciting time to be working in the power side of the automotive industry, and that SPX was primed to be a big player in the electric vehicle industry. Ms. Cavaliere indicated that the City of Warren is prepared to provide a PA198 in support of the project.

Josh Hundt provided additional information and recommendations.

Mr. Hundt indicated that the company would create 34 jobs with an investment of \$402,000 as a result of this project.

Recommendation: MEDC Staff recommends a 75 percent high-technology employment tax credit for five years for up to 34 net new employees in excess of the company's established base of 493.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-081. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED STANDARD MEGA CREDITS:

Resolution 2010-082: Gordon Food Service, Inc. (GFS)

Karen Hinkle, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Jeff Maddox, CFO, GFS; Curtis Holt, City Manager, City of Wyoming; Susan Jackson, VP Business Development, The Right Place; and Kurt Brauer, Warner Norcross & Judd.

Mr. Maddox indicated that GFS started in Michigan delivering milk and eggs, and is a 4th generation family company that is proud to be Michigan based. Mr. Maddox indicated that GFS has over 2200 Michigan employees and will be consolidating its Canadian operations into Michigan as a result of this project. Mr. Holt indicated that the community is very supportive of this project and happy to have GFS as a vital part of the community.

Stacy Bowerman, MEDC Project Specialist, provided additional information and recommendations.

Ms. Bowerman indicated that the company would create 173 jobs and invest \$24.2 million as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent standard employment tax credit for five years for up to 173 net new employees in excess of the company's established base of

2120, provided that the company creates and maintains 150 employees by the end of the third credit year, otherwise the remaining years will be forfeited. A look-back period will be established as of 60 days prior to the execution of the Credit Agreement. 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. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2010-082. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-083: WABCO North America, LLC (WABCO)

Clarinda Barnett-Harrison, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Joe Kripli, Global Business Enterprise Leader, WABCO; Jeff Stukenborg, PD Leader, WABCO; and Dan Casey, Economic Development Manager, City of Rochester Hills.

Mr. Kripli indicated that WABCO currently has 16 plants, and wants the 17th to be located in Michigan. Mr. Kripli indicated that WABCO provides electronic components for the transportation equipment market. Mr. Casey indicated that the City of Rochester Hills is supportive of a personal property tax abatement in support of the project.

Joe Quick, MEDC Project Specialist, provided additional information and recommendations.

Mr. Quick indicated that the company would create 274 jobs and invest \$6.2 million as a result of this project.

Recommendation: MEDC Staff recommends a 75 percent standard employment tax credit for five years for up to 274 net new employees in excess of the company's established base of 22.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-083. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-084: Witzenmann USA, LLC (Witzenmann)

Michelle Elder, provided background information for the action and introduced guest presenters: Marvin Pisarczyk, Managing Director, Witzenmann; Irene Spanos, Senior Business Development Representative, Oakland County; and Pamela Lantik, City of Troy.

Mr. Pisarczyk indicated that Witzenmann has been a family owned business since 1885, and that the company is a leader in manufacturing flexible metallic components for the automotive industry. Mr. Pisarczyk indicated that their current facility is at capacity and they need to expand their operations. Ms. Lantik indicated that the City of Troy is supportive of a PA198 for the project. Ms. Spanos indicated that the community is very supportive of the project and that Oakland County was prepared to help with workforce training for the company.

Robert Wilson, MEDC Project Specialist, provided additional information and recommendations.

Mr. Wilson indicated that the company would create 75 jobs and invest \$13.1 million as a result of this project.

Recommendation: MEDC Staff recommends a 75 percent standard employment tax credit for five years for up to 75 net new employees in excess of the company's established base of 81.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2010-084. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED RETENTION & STANDARD MEGA CREDITS:

Resolution 2010-085: Fisher & Company, Inc. (Fisher)

Michelle Elder, provided background information for the action and introduced guest presenters: Alfred Fisher IV, VP, Fisher; James Ahee, Macomb County Economic Development Group; and Rep. Sarah Roberts.

Mr. Fisher indicated that Fisher has been a Michigan based business for over 100 years, and that after the economic downturn the company has seen business pick up and is considering consolidating operations in Michigan to meet demand. Mr. Ahee indicated that Fisher is the third largest employer in the City of St. Clair Shores, and that the community was for the first time ever offering a personal property tax abatement to support this project and keep jobs in Michigan instead of going to Mexico. Rep. Roberts indicated that the community is very supportive of this project and thanked the Board and the MEDC for all of their work to keep these jobs in Michigan.

Phil Santer provided additional information and recommendations.

Mr. Santer indicated that the company would create 138 new jobs and retain 52 jobs and invest \$14.85 million as a result of this project.

Recommendation: MEDC Staff recommends a 50 percent standard employment tax credit for seven years for up to 138 net new employees in St. Clair Shores and Sterling Heights in excess of the company's established base of 338. In addition, the MEDC recommends a retention credit for up to 100 percent for seven years, of which the annual credit calculation is capped at a value of 50 percent of the maximum credit, for 52 retained employees at the St. Clair Shores facility. The company has agreed to set aside its existing MEGA tax credit authorized by Resolution 2003-24, approved by the Board on August 26, 2003.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention & Standard MEGA Credits and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-085. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-086: National Logistics Management Co. (NLM)

Camille Walker, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Scott Taylor, President, NLM; Greg Humes, Executive VP, NLM; Patrick Murphy, VP & Treasurer, Landstar System Holdings, Inc.; Rochelle Freeman, City of Southfield; Mark Adams, Oakland County; and Lynn Gandhi, Honigman Miller Schwartz & Cohn.

Mr. Taylor stated that he believes in Michigan, and is excited to be moving back to Michigan from Jacksonville, FL as a result of this project. Mr. Taylor indicated that that NLM is a high tech logistics provider of supply chain management, and that the company is looking to expand their business at their Michigan locations. Mr. Murphy indicated that the company has over 30,000 customers and does a lot of work with the federal government, and was excited to be expanding in Michigan. Ms. Freeman indicated that the City of Southfield is supportive of a PA328 for this project. Mr. Adams indicated that the community is very excited to be keeping the existing jobs and welcoming new jobs to the area.

Joe Quick provided additional information and recommendations.

Mr. Quick indicated that the company would create 163 new jobs and retain 122 jobs and invest \$12.5 million as a result of this project.

Recommendation: MEDC Staff recommends a 75 percent standard employment tax credit for five years for up to 163 net new employees in excess of the company's established base of 128. In addition, the MEDC recommends a retention credit up to 75 percent for five years for the 122 retained employees at the Southfield facility, provided that the company maintains a statewide employment threshold of 90 full-time jobs in Michigan.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention & Standard MEGA Credits and recommends

approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2010-086. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED RETENTION MEGA CREDITS:

Resolution 2010-087: Detroit Diesel (DDC)

Jeff Sand, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: Henning Oeltjenbruns, VP & Plant Manager, DDC; David Trebing, General Manager of State and Local Relations, Daimler; Dominik Boenig, Plant Manager's Office, DDC; Richard Barr, Honigman Miller Schwartz & Cohn; Tracey Schultz Kobylarz, Redford Township Supervisor; and Jeff Bryant, Wayne County.

Mr. Trebing indicated that Daimler has 32 facilities in the US, and that this project would not be happening in Michigan without the support of the MEDC. Mr. Oeltjenbruns indicated that Daimler bought DDC in 2000, and wants to consolidate its operations from Germany and Mexico into one plant in Michigan. Mr. Oeltjenbruns indicated that Michigan has the best workforce to draw from and has had a great working relationship with the UAW for the plant. Ms. Schultz Kobylarz indicated that the community has already approved a personal property tax abatement for the project and is in full support. Mr. Bryant indicated that this is a cornerstone project and that is very exciting for the community. Mr. Barr indicated that the company has made huge investment after huge investment, and this is yet another indicator of the importance of Michigan to what the company is trying to accomplish.

Mr. Main indicated that he had traveled with the Governor to see the sister plant to this project in Germany, and that these plants were iconic fixtures. Mr. Main indicated that this was a terrific project, and that Michigan can be very competitive despite the hardship it has seen over the past few years.

Phil Santer provided additional information and recommendations.

Mr. Santer indicated that the company would retain 1,900 jobs and invest \$194 million as a result of this project.

Recommendation: MEDC Staff recommends a 100 percent standard employment tax credit for 11 years for up to 1,900 retained employees at the Redford Township and the City of Detroit facilities. DDC must maintain at least 1,000 jobs at the project site to qualify for the credit each year. DDC has agreed to set aside its existing MEGA tax credit authorized by Resolution 2005-50, approved by the MEGA Board in August 2005.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention & Standard MEGA Credits and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2010-087. Mr. Herman seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED MEGA AMENDMENTS:

Resolution 2010-088: Johnson Technology, Inc. (JTI)

Bill Kratz, MEDC Business Development Manager, provided background information for the action and introduced guest presenters: David Yacovone, President, JTI; Richard Saukas, JTI; Clif Morehead, Government Relations, GE; Ed Garner, Muskegon Area First; and Mark Meyers, City Administrator, City of Norton Shores.

Mr. Yacovone indicated that this project is an extension of a previously approved project by the MEGA Board, and that it was a great success story as they were continuing to expand and bring jobs to the area. Mr. Yacovone indicated that 90% of the \$50 million investment would be spent inside the State of Michigan. Mr. Meyers indicated that the City was very excited that JTI picked Norton Shores to continue its expansion efforts, and would be supporting a PA328 in support of the project. Mr. Garner indicated that the community was very excited to continue the job base

in the area. Mr. Morehead indicated that there was tremendous local community support for this project, and that it was a great example of a success story in this area of the State.

Mr. Main indicated that this was the second year in a row that Michigan was seeing a significant investment from GE and their partners, and that they looked forward to future investments.

Phil Santer provided additional information and recommendations.

Mr. Santer indicated that the company would create an additional 90 jobs and invest \$50 million as a result of this project.

Recommendation: MEDC Staff recommends amending the 12 year, 100 percent Standard MEGA Tax Credit to increase the number of qualified new jobs from 74 to 164, over the company's established employment base of 452 (employment base established in June 2009 MEGA tax credit); amend the credit's average weekly wage from \$705 to \$668 (the new weighted average of all projects) to account for the additional employees, which will be less expensive than the jobs attracted to their facility in June 2009; and amend the project scope to include the company's facilities in the City of Norton Shores.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendment and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2010-088. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-089: Inergy Automotive Systems, LLC (Inergy)

Karla Campbell, MEDC MEGA Program Manager provided background information for the action.

Ms. Campbell indicated that on April 19, 1995, the MEGA Board approved a MEGA Credit for Solvay Automotive, Inc. (Solvay). In 2000, Solvay requested that the MEGA agreement be amended because Inergy purchased Solvay. Due to the purchase, the companies had to file two separate tax filings, resulting in two MEGA certificates being generated for the year 2000. It was not conveyed clearly to the Inergy that each filing period is considered a separate and distinct tax year, thus resulting in two tax years of the credit being used.

Recommendation: MEDC Staff recommends that Inergy amend their last year of the MEGA Tax Credit to be December 31, 2008.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA amendment and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none **Mr. Herman made a motion for approval of Resolution 2010-089. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2010-090: Pump Engineering, LLC.

Karla Campbell provided background information for the action.

Ms. Campbell indicated that Pump Engineering, LLC. was awarded a High-Tech MEGA Credit in 2009. Pump Engineering was recently purchased, and is on target with the project as originally stated.

Recommendation: MEDC Staff recommends that Resolution 2009-091 be amended to transfer the credit from Pump Engineering, LLC to Pump Engineering, Inc.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA amendment and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none **Mr. Herman made a motion for approval of Resolution 2010-090. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 1 absent.

[RECUSED: Bo Garcia]

ADMINISTRATIVE ITEMS:

City of Lansing – Jackson National Life

Marcia Gebarowski provided background information for the action.

Ms. Gebarowski indicated that the City of 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 \$482,688. Ms. Gebarowski indicated that pursuant to the Brownfield Redevelopment Financing Act, MCL 125.2665(14)(a-c) and MCL 125.2665(16), upon receipt of a request for approval of a Work Plan, the MEGA shall provide a written response to the requesting authority, within 65 days, of an unconditional approval, a conditional approval, or a denial. If a Work Plan is denied under this subsection, the Work Plan may be subsequently submitted. If the MEGA fails to provide a written response within 65 days after receipt of a request for approval of a Work Plan, the eligible activities shall be considered approved. Ms. Gebarowski indicated that some of the activities listed in the Work Plan have already begun, and thus are ineligible.

Recommendation: MEDC Staff, as to protect the integrity of the MEGA Board review and approval process by allowing for the administrative procedure to continue moving forward, recommends an administrative denial, without prejudice of the City of Lansing Brownfield Redevelopment Authority Work Plan dated April 13, 2010 as amended and received on June 1, 2010 for the property located at 2005 Seager Street within the City of Lansing, Ingham County, known as the Jackson National Life Insurance Company – Lansing Data Center Redevelopment Project.

The denial is based upon insufficient information for the Brownfield Redevelopment staff to adequately make a determination in several areas including: the status and the extent of eligible activities outlined, missing a project proforma, and an outdated MEGA Tax Capture/Reimbursement Schedule (Table 2). The Brownfield Staff are confident that with more information on the details outlined above, a recommendation for the approval of a resubmitted and revised the Work Plan is anticipated to be forthcoming.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA amendment and recommends approval. Mr. Kleine asked if there were any questions from the Board. Being none **Mr. Buckler made a motion for an administrative denial. Mr. Herman seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 1 recused; 1 absent.

[RETURNS: Bo Garcia]

DISCUSSION: Mr. Kleine asked if there were any additional comments. There were none.

ADJOURNMENT: The meeting was adjourned by Mr. Kleine at 12:11 p.m.