

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD

June 16, 2009

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, June 16, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq. N., Lansing, Michigan.

MEMBERS PRESENT: Douglas Buckler; Baldomero Garcia; Greg Main; Susan Corbin (acting on behalf of Stanley "Skip" Pruss, authorization attached); Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached); Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached); Tim Herman

MEMBERS ABSENT: Cullen DuBose

CALL TO ORDER: Mr. Main called the meeting to order at 10:03 a.m.

APPROVAL OF MINUTES:

Peter Anastor, MEDC Community and Urban Development Manager, noted these were new minutes since one item had been changed.

Mr. Main asked for a motion to approve the May 19, 2009 meeting minutes. **Mr. Garcia motioned approval of the minutes. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent

PUBLIC COMMENT:

Mr. Main asked if there was any other public comment.

Eric Shertzing, Ingham County Treasurer & Land Bank Chair read a written statement to the Board regarding agenda Item 17 (See attached). Robert Howe, Ingham County Brownfield Redevelopment Authority Member, informed the MEGA Board that the Ingham County Economic Development Corporation Board is in full support of the Land Bank proposal listed as agenda item 17.

PROPOSED STANDARD MEGA CREDITS:

Resolution 2009-100: Farmers Group, Inc. (Farmers)

Karen Hinkle, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Mike Bigelow, VP ZFUS Shared Services; Bryan Harrison, Caledonia Twp Supervisor.; Susan Jackson, The Right Place

Mr. Bigelow thanked the MEDC, Josh Hundt, and Karen Hinkle for their support. Mr. Bigelow spoke about Farmers Group, Inc. being the 3rd largest insurance company in the U.S. and the fastest growing. Farmers currently employs over 2000 people in Michigan. He also talked about Farmers looking to expand office space adding a call center and expanding for a training center. Mr. Harrison spoke about enthusiastic local support with anticipated approval of a PA 328 tax abatement. Ms. Jackson talked about this project being great news for Michigan and then thanked the MEDC.

Mr. Main stated that this is great news for Michigan. Ms. Shinn asked how soon until the project could start construction. Mr. Bigelow said the fall—September or October time frame.

Amy Deprez, MEDC Packaging Manager, provided additional information on the project.

The proposed project is the construction of two new buildings in Caledonia Township, Kent County. Farmers will invest approximately \$84.4 million and create 1,600 jobs over the next five years as a result of this project.

Recommendation: MEDC staff recommends a 100 percent employment tax credit for 18 years for up to 1,600 net new employees in excess of the company's established base of 2,029, subject to the following: The company creates a minimum of 1,000 jobs, over the employment base of 2,029, by the end of the twelfth 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; and the company creates a minimum of 1,400 jobs, over the employment base of 2,029, by the end of the seventeenth year of operations and continues to maintain that number in future years. Failure to do so will result in the remaining year to be forfeited.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Peter Anastor, MEGA Board Secretary, informed the Board that a substitute resolution was updated for the action. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-100. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-101: Holland Awning Company d/b/a Integrated Fabric Resource

William Kratz, MEDC Business Development Manager, provided background information for this action and introduced guest presenters Doug Buma, President, Integrated Fabric Resource; and Randy Thelen, Lakeshore Advantage

Mr. Buma talked about being in the bulk liquid business for multiple years. The proposed action would help towards a prototype production line making flexi-tanks in Zeeland, MI. Flexi-tanks are for transport of bulk goods. Mr. Buma stated that there are currently no flexi-tanks produced in the United States. Mr. Thelen talked about anticipating approval of local tax abatement on Thursday following this meeting. Mr. Thelen added that an international project considered international options and sought out Michigan and believed that more would do so.

Mr. Main asked what the [industry specific] percentages were for their current customers. Mr. Buma explained that the vast majority (95%) of their business is with the automotive industry. Mr. Buma talked about how this project would help to diversify their customer base independent of the auto industry. Mr. Main thanked the presenters for "showing the way" to diversify an automotive manufacturing base.

Ken Murdoch, MEDC Grant Specialist, provided additional information on the project..

Integrated Fabric Resource will be expanding their existing Holland Charter Township operation to accommodate this project. Total investment for Integrated Fabric Resource over five years will be approximately \$3.7 million as a result of this project. This project will also create 270 new jobs.

Recommendation: MEDC staff recommends a 90 percent standard employment tax credit for seven years, for up to 270 net new employees over the established employment base of 101.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-101. Ms. Shinn seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Mr. Main paused to introduce Tim Herman as the newest Member of the MEGA Board and Baldomero Garcia as the new Chairman of the MEGA Executive Committee.

Resolution 2009-102: Johnson Technology, Inc.

William Kratz provided background information for this action and introduced guest presenters: David Yacavone, President, Johnson Technology; Richard Saukas, Assistant Treasurer; and Bryon Mazade, City of Muskegon.

Mr. Yacavone talked about his hope to expand Johnson Technology, Inc. (JTI) an aerospace manufacturer that produces jet engine components for military and commercial operations. JTI specializes in precision vanes, shrouds and hangers that are used in the "hot" section of the aircraft engine. Mr. Yacavone informed the Board that an investment of \$15 million would be made in Muskegon for new coating and super alloy technologies used for the "hot" sections. He added that this \$15 million investment would be a good multiplier since much that investment would be spent on Michigan suppliers. Mr. Yacavone thanked the MEDC, Bill Kratz, and Phil Santer especially. Mr. Mazade spoke about Muskegon pleased and prepared to support the project with PA 198 and PA 328 abatements.

Phil Santer, MEDC Project Specialist, provided additional information on the project

Johnson Technology will invest approximately \$15 million and create 74 jobs over the next five years as a result of this project.

Recommendation: MEDC staff recommends a 100 percent employment tax credit for 12 years for up to 74 net new employees in excess of the company's established base of 452.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-102. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-103: Roskam Baking Company (RBC)

Karen Hinkle provided background information for this action and introduced guest presenters John Lallo, Vice President, Roskam Baking; Susan Jackson, Vice President Business Development, The Right Place; and Richard Root, Mayor, City of Kentwood.

Mr. Lallo spoke about Roskam Baking Company (RBC) being a family business since 1923 and their desire to expand their business opportunities by competitively bidding for new manufacturing contracts. To support that growth, they will be adding new lines at their facility in Kentwood. RBC will invest approximately \$60.5 million and create 1,500 jobs over the next five years. Mr. Lallo thanked the Board for their time. Mr. Root talked about Kentwood (MI) being open for business and how important the 1500 jobs are to the community. Mr. Root added he anticipates full approval of a PA 198. Ms. Jackson stated that she appreciated the Board's support.

Ms. Shinn asked if the \$60 million investment was for equipment or facilities or something else. Mr. Lallo answered and spoke about the investment primarily into machinery and equipment but did say there were unknowns estimated into the \$60 million. Ms. Shinn asked about the freight disadvantages in the RBC business case and asked if they had access to rail. Mr. Lallo answered saying the savings in cost of freight out west needs to be offset by manufacturing savings in Michigan.

Marcia Gebarowski, MEDC Project Specialist, provided additional information on the project..

Recommendation: MEDC staff recommends a 100 percent employment tax credit for 10 years for up to 1,500 net new employees in excess of the company's established base of 657 subject to the following: The company must create and maintain a minimum of 1,000 jobs above the established base of 657 by year six. Failure to do so will result in the forfeiture of remaining

years of the credit. The company must make a capital investment of \$25 million by year six. Failure to do so will result in the forfeiture of the remaining years of the credit.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-103. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED HIGH-TECHNOLOGY MEGA CREDITS:

Resolution 2009-104: Axiobionics, LLC

Larry Gormezano, MEDC Southeast Michigan Office Manager, provided background information for this action and introduced guest presenters Phillip Muccio, Founder – President CEO, Axiobionics; Joel Dalton Vice President, Axiobionics; and Vince Nystrom, Ann Arbor SPARK

Mr. Muccio spoke about looking at opportunities in many different states but said it was Michigan that caught his interest. Mr. Muccio talked about his technology being different since it was the only technology in his industry that could be customized to the user. Mr. Nystrom thanked the MEDC and said he anticipated everything moving forward.

Mr. Main spoke about this being a good example and that he was excited to have Axiobionics in Michigan.

Marcia Gebarowski provided additional information on the project.

Axiobionics will invest approximately \$2.9 million and create 108 jobs over the next five years as a result of this project.

Recommendation: MEDC staff recommends a 100 percent high-technology employment tax credit for seven years for up to 108 net new employees in excess of the company's established base of zero.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-104. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-105: Dexter Research Center, Inc. (DRC)

Michael Hagen, MEDC Industry Business Development Manager, provided background information for this action and introduced guest presenters Rob Toth, CEO, Dexter Research; Cory Ziegler, Controller, Dexter Research; Kurt Hochrein, Director of Sales, Dexter Research; and Vince Nystrom Ann Arbor SPARK

Mr. Toth spoke about how Dexter Research Center Inc. served the industrial, service, military, and private industries. Mr. Toth went on to thank the MEDC for its continued support of established businesses in Michigan. Mr. Nystrom thanked the MEDC for being the catalyst to keep DRC from moving to Ohio or Massachusetts.

Greg West, MEDC Project Specialist provided additional information on the project.

DRC will invest approximately \$2.97 million and create 47 jobs over the next five years as a result of this project.

Recommendation: MEDC staff recommends a 70 percent high-technology employment tax credit for seven years for up to 47 net new employees in excess of the company's established base of 62.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-105. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-106: Energetx Composites, LLC

William Katz provided background information for this action and introduced guest presenters David Slikkers, Principal, Energetx; Robert Slikkers, Principal, Energetx; David DeJonge, VP Finance, Energetx; Randy Thelen, President, Lakeshore Advantage; and Greg Robinson, Asst. City Manager, City of Holland
Mr. D. Slikkers spoke about his belief that this project would be a key anchor for dialogue with six of Energetx suppliers. Mr. D. Slikkers stated that this would be a catalyst to add more “green jobs” for the State of Michigan. He then thanked everyone that helped with the project. Mr. Robinson said he was enthused about the type of jobs. Mr. Robinson spoke about an anticipated PA 328 and thanked the MEDC. Mr. Thelen thanked Greg Robinson and the MEDC for stepping up and getting it done.

Ms. Shinn requested clarification on what RPS stood for. Mr. R. Slikkers answered Ms. Shinn and informed her that RPS stood for Renewable Portfolio Standard. Mr. Main spoke about the Energetx project being a success story and that their investment will attract many more businesses and help to diversify the economy.

Marcia Gebarowski provided additional information on the project.

Energetx currently has 4 employees in Michigan, and will invest approximately \$37 million in new building construction and machinery and equipment as a result of this project. In addition, the company will create 1,068 jobs over the next five years.

Recommendation: MEDC staff recommends a 100 percent high-technology employment tax credit for 15 years for up to 1,068 net new employees in excess of the company’s established base of 4.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Peter Anastor, MEGA Board Secretary, informed the Board that there was a substitute resolution addressing the base employment level. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2009-106. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-107: RS Technologies Acquisition Corporation (RSAC)

Michael Hagen provided background information for this action and introduced guest presenters Joe Morill, PCB; John Anhut, Chairman, City of Farmington Hills EDC; and Teri Arbenowskie, EDC Director, City of Farmington Hills.

Mr. Morill talked about how RSAC has been around for about 20 years. The current subsidiary of PCB Piezotronics of—RS Technologies Acquisition Corp. was established on May 4, 2009. Mr. Morill informed the Board that there are about five companies that can measure wheel data like RSAC can. Mr. Morill stressed the urgency of the company’s situation, having a very short window to stay in Michigan—months at most.

Amy Deprez provided additional information on the project.

RSAC will invest approximately \$1.7 million and create 40 jobs over the next five years.

Recommendation: MEDC staff recommends a 70 percent high-technology employment tax credit for seven years for up to 40 net new employees in excess of the company's established base of 6.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-107. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED RURAL MEGA CREDITS:

Resolution 2009-108: Alma Products I, Inc.

Brenda Flory, MEDC Business Development Manager, provided background information for this action and introduced guest presenters Alan Gatlin, CEO, Alma Products; Don Curtis, Finance Manager, Alma Products; Al Victoria, General Manager, Alma Products; Phillip Moore, City Manager, City of Alma; and Donald Schurr, President, Gratiot Development, Inc.

Mr. Gatlin spoke about it being difficult to move [out of state] operations to Alma Products I, Inc., but expressed his desire to move operations to a location that they had more confidence in [Alma, MI]. Mr. Gatlin talked about how their technology was green by remanufacturing existing pieces rather than designing, engineering, producing them from scrap and raw materials. Mr. Gatlin pointed out that no labor already used for the piece would be wasted. Mr. Schurr spoke about when the U.S. auto industry started to suffer; they worked on green and efficiency. Mr. Schurr thanked everyone that worked on the project. Mr. Moore talked about Alma Products being a core player to Alma. Mr. Moore said the community wanted this project and would fully support it with a PA 198.

Mr. Main asked about Alma Products sales relationship with low car sales. Mr. Main asked if it was an inverse relationship [since their sales were made up from remanufactured parts rather than new]. Mr. Gattlin answered Mr. Main and said typically it is an inverse relationship. Mr. Main talked about the circumstances being very interesting.

Marcia Gebarowski provided additional information on the project.

Ms. Gebarowski talked about how Alma Products currently has 187 employees in Michigan and will be relocating the remanufactured transmission operation from ETX Transmissions, Inc. in Illinois to their location in the City of Alma, Gratiot County. Alma Products will invest approximately \$1.9 million, primarily in machinery and equipment, and create 76 jobs over the next five years.

Recommendation: MEDC staff recommends a 90 percent rural employment tax credit for 7 years for up to 76 net new employees in excess of the company's established base of 187.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Rural MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-108. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED RETENTION MEGA CREDITS:

Resolution 2009-109: CertainTeed Ceilings Corp.

Toni Brownfield, MEDC Industry Business Development Manager, provided background information for this action and introduced guest presenters Robert Panaro, CFO, CertainTeed; and Robert LaFave, Village Manager, L'Anse Village

Mr. Panaro talked about CertainTeed Ceilings Corp. being a subsidiary of a larger European Company and its hope to consolidate operations. Mr. Panaro thanked the Governor, Michigan, the MEDC, MDOT, and L'Anse. Robert LaFave spoke about the Village counsel being very supportive of the project.

Ms. Shinn asked if any of the Mississippi jobs would be transferred from the closed facility to the one in L'Anse. Mr. Panaro said transferring those jobs is unlikely. Ms. Shinn added that she was aware of the application and talked about it being a good project.

Marcia Gebarowski provided additional information on the project.

CertainTeed will invest approximately \$7.6 million primarily in machinery and equipment as a result of this project. In addition, the company will retain 109 jobs over the next five years.

Recommendation: MEDC staff recommends a up to a 100 percent retention employment tax credit for 12 years for the 109 retained employees at the L'Anse facility, subject to the following: The company must make a minimum capital investment of \$2.5 million associated with the project to receive a 50 percent credit. The credit percentage will increase in proportion to the amount of capital investment realized per retained job. The total investment must exceed \$10.9 million to qualify the company for a 100 percent retention credit for all 109 retained jobs.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-109. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED STANDARD AND RETENTION MEGA CREDITS:

Resolution 2009-110: Ralco Industries, Inc.

Kathy Kleckner, MEDC Project Manager, provided background information for this action and introduced guest presenters Tom Gitter, CEO, Ralco; Ben Smith, Project Coordinator, Ralco; Khalfani Stephens, City of Pontiac; Lynda Earhart, Oakland County Planning and Economic Development

Mr. Gitter spoke about his appreciation for the MEDC and went on to talk about precision manufacturing and robotic welding and how 25% of robotic welding came from Europe and about 25% came from China. Mr. Stephens talked about the City of Pontiac being very excited for the project. Ms. Earhart spoke about the project being very important for Oakland County.

Amy Deprez provided additional information on the project.

Ralco will invest approximately \$6.45 million, creating 108 qualified new jobs and retaining 50 qualified jobs over the next five years.

Recommendation: MEDC staff recommends up to a 100 percent retention employment tax credit for seven years for the 50 retained employees and a 100 percent new jobs employment tax credit for seven years for up to 108 net new employees in excess of the company's established statewide employment base of 54.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-110. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-111: Webasto Roof Systems, Inc.

Jerome Katz, MEDC Business Development Manager, provided background information for this action and introduced guest presenters Theodore Zimbo, CFO, Webasto; and Dan Casey, Manager Economic Development, City of Rochester Hills

Mr. Zimbo thanked the MEDC and spoke about Webasto having a well diversified custom base with 3 assemblies. Mr. Casey talked about being glad to be in front of the Board and happy to have a good relationship with them. Mr. Casey added that he was confident of full support of local tax abatements.

Marcia Gebarowski provided additional information on the project.

Webasto will invest approximately \$3.6 million and create 61 qualified new jobs as well as retain 153 jobs over the next five years.

Recommendation: MEDC staff recommends a 50 percent retention employment tax credit for seven years for the 153 retained employees, depending on the amount of the investment, at the Rochester Hills facility and a 100 percent new jobs employment tax credit for seven years for up to 61 net new employees in excess of the company's established statewide employment threshold of 490 subject to the following: The company must make a minimum capital investment of \$2.5 million associated with the project to receive a 50 percent credit.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-111. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BROWNFIELD WORK PLAN APPROVALS:

Resolution 2009-112: City of Bay City – LGK Development

Joe Agostinelli, MEDC Community Assistance Specialist, provided background information for this action and introduced guest presenters Steve Black, City of Bay City; James Karo, Partner, LGK Development; Anne Jamieson, Urena, AKT Peerless Environmental Services; and Jared T. Belka, Warner Norcross & Judd, LLP

Mr. Black spoke about this project being years in the making and that the MEDC's support was necessary for this projects success. Mr. Karo echoed Mr. Black and spoke about the project being years in the making and thanked everyone involved.

Ms. Shinn asked if the City of Bay City is working on Streetscapes percentages for MDOT's Streetscapes program. Mr. Belka thanked Ms. Shinn for her question and said they would look into the program more.

Katharine Czarnecki, MEDC Community Assistance Manager, provided additional information on the project.

Ms. Czarnecki spoke about the project redeveloping 0.9 acres of commercial property in downtown Bay City located at 1115 and 1117 Washington Avenue. The total capital investment anticipated is \$1.85 million.

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling \$341,179, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$139,396.

Mr. Buckler talked about the developers need to pay attention to the workforce on their project sites and whether taxes are being paid or not. Mr. Buckler emphasized that the state has great need for those tax dollars right now.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-112. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2009-113: City of Holland – Crescent Shores

Joe Agostinelli provided background information for this action and introduced guest presenters Greg Robinson, City of Holland; Rob McBrien, Crescent Shores, LLC; and John V. Byl, Warner Norcross & Judd, LLP

Mr. Byl spoke about the project not being possible without the cooperation of local and state government. Mr. McBrien presented a visual rendering of the project and explained it to the Board.

Mr. Main spoke about the project bringing many more people to the area and being a real boost to the economy. Ms. Shinn spoke about how she had seen this project site personally and said it was a great use of the site.

Katharine Czarnecki provided additional information on the project.

Ms. Czarnecki spoke about the project redeveloping multiple parcels of property at Crescent Drive and West 16th Street on Lake Macatawa in the City of Holland, Ottawa County. The project is expected to create ten to twelve new full time jobs, paying an average hourly wage of eight to fifteen dollars per hour. The total capital investment is expected to be greater than \$10 million.

Recommendation: MEDC staff recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$1,250,000.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Peter Anastor, MEGA Board Secretary, informed the Board that the project has five years to complete eligible activities. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-113. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED DEFENSE MBT CREDIT:

Resolution 2009-114: Fab Masters Company, Inc.

Tom Tarleton, MEDC Business Development Manager, provided background information for this action and introduced guest presenter Jim Storie, Systems Analyst, Fab Masters

Mr. Storie spoke about Fab Masters Company, Inc. being the largest private employer in Marcellus, MI and their attempts to diversify the community. Mr. Storie talked about having an updated proposal for federal contracts and that the wellbeing of the company depends on this tax consideration. Mr. Storie concluded by thanking the MEDC and saying he appreciates the commitment of Michigan and the governments solidarity.

Mr. Main spoke about [their] success in finding a way to diversify.

Amy Deprez provided additional information on the project.

Fab Masters is bidding on a federal contract with the United States Department of Defense for various mortar and artillery components. The contract could be for up to ten years and a total of 11.6 million parts if all four contracts are won. Fab Masters will invest approximately \$8.4 million and may create 160 jobs as a result of winning these contracts.

Recommendation: MEDC staff recommends a 100 percent Defense MBT Credit not to exceed the length of the contract, or a maximum seven years, for all jobs created due to Fab Masters Company, Inc. winning contracts with the United States Department of Defense, Department of Energy, or Department of Homeland Security in excess of the company's current statewide employment of 87.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Defense MBT Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-114. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED MEGA AMENDMENT:

Resolution 2009-115: NxtGen Emission Controls USA, Inc.

Peter Anastor provided background information for this action.

Mr. Anastor spoke about the amendment allowing NxtGen Emission Controls USA, Inc. three more months to meet their required numbers. Mr. Anastor talked about how he anticipated that NxtGen would hit their numbers if given the additional three months.

Recommendation: MEDC staff recommends an extension of the anniversary date from April 30, 2009 to July 31, 2009 to allow the company to activate its Tax Credit Agreement.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendment and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-115. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

ADMINISTRATIVE:

Ingham County Fast Track Land Bank Properties

Peter Anastor provided background information for this action. Bob Howe, Ingham County EDC; and Eric Schertzing, Ingham County Treasurer were present to speak on behalf of the Ingham County Fast Track Land Bank Properties.

Mr. Anastor explained that this project was being presented for an administrative denial. He went on to say that after sixty-five days without approval or denial from the Board, an application is administratively approved, and that the Board would need to take action to deny this proposal until more information was provided. Mr. Anastor emphasized the MEDC was not trying hinder Ingham County's progress but instead stated that the current information the MEDC has is not enough. Mr. Anastor talked about both submissions need proper due diligence.

Ms. Shinn asked if one month really delays anything. Mr. Shertzing answered Ms. Shinn by saying no, but that it complicates tax capture. Ms. Shinn asked when the Special MEGA Board meeting was. Nathan Ohle, MEDC Board Relations Liaison, answered Ms. Shinn informing her that the meeting was scheduled for June 25th. Mr. Howe asked on what basis has a date been given. Mr. Howe spoke about the opinion of Ingham County's lawyer, who (according to Mr. Howe) says it expired on June 15th, yesterday. Mr. Anastor responded by saying the sixty-five day limit begins when complete application materials are submitted and that all documents were not received until April 20. Mr. Anastor spoke about coming to a standstill and desiring to move the project forward but also ensuring the Board knows what exactly is being requested. Mr. Anastor continued saying there are new items that have not been included in previous land banks. Mr. Anastor restated that the MEDC and the Board are not trying to kill the project. Mr. Garcia asked when we would need this information [to make the Special MEGA Board meeting].

Mr. Anastor answered as soon as possible. Mr. Howe spoke about being a low cost housing model which is different and there's a lot of information to share. Ms. Shinn spoke about sitting on the MEGA Board for 10-12 years, and would make her decision with the experienced personnel at the MEDC and encouraged the people working on the land bank to keep working to get onto July's agenda.

Board Discussion: Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for administrative denial. Mr. Lockwood seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

DISCUSSION:

Mr. Main informed the Board of the status of MEGA Credits and reminded them that the Credits were capped at 400 for 2009. Mr. Main said as of right now we have 71 credit hours remaining. He went on to say if we continue at this pace, we will be out of work, we will be out of business, and we need legislation. Mr. Main encouraged everyone to make clear to their contacts the urgency of the situation. Ms. Shinn asked how often has the bill been expanded for credits. Mr. Buckler asked if the bill was in the House or the Senate. Mr. Anastor answered saying he understood the bill to be out of the House.

Mr. Main asked if there were any additional discussion items. Being none, Mr. Main thanked the Board Members and the MEDC staff for working through a long agenda.

ADJOURNMENT: The meeting was adjourned by Greg Main at 11:58 p.m.

ATTACHMENT: PUBLIC COMMENT

Eric Shertzing, Ingham County Treasurer & Land Bank Chair

My name is Eric Schertzing. I am the Ingham County Treasurer and Chair of the Ingham County Land Bank Authority. I am joined this morning by 4 members of the Ingham County Brownfield Authority. Thank your for being partners in economic development with the County, City and Land Bank. You have two complete Brownfield plans from Ingham County that build upon our good work with the 2007 plan. These two plans have been heavily vetted by the County Brownfield Board and the Ingham County Board of Commissioners. Numerous local taxing jurisdictions, especially the City of Lansing, discussed the plans and passed concurrence resolution. The City of Lansing is our largest investor. For those of you familiar with local politics, I expected the support of the Mayor AND the Lansing City Council, which we received, to be a greater challenge than the support of this body. Given the lack of any official communications I'm at a loss as to why this years submittal is re-plowing much of the same ground as 2007. I understand the complexity of Land Banks and the challenges for new staff. While consultants are often accommodating and government usually differential to government, I did not run for election to display my patience. Similarly, we did not undertake Land Bank efforts so state processes would slow our local rebuilding efforts. This process is delaying borrowing for things we need to do. Project that are shovel ready. As we move forward to our successful completion of these two Act 381 work plans it is critical to understand that each County Land Bank is a reflection of the community it represents. Rebuilding our neighborhoods is critical to building upon our historic development efforts. And the issue requires all tools on deck to be successful. While we are a weak market community, compared to a Flint, Saginaw or Detroit, we are a STRONG weak market. The neighborhoods in Lansing are still alive, but without the full use of tools in the toolbox, their future is not bright. Our projects tend to be smaller, but are numerous. One house of commercial site at a time, over and over again. We have the opportunity, potential and CAPABILITY to use the statutory brownfield tools to help our communities thrive. After an open and extensive review process we have put plans in front of you to do just this. Time is of the essence. I ask for your support, in getting THESE plans done, so we can be fully armed to continue our battle for the vitality of mid Michigan and Lansing.