

ADOPTED MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held at the Michigan Economic Development Corporation (MEDC), 300 North Washington Square, Lansing, Michigan, on June 17, 2008.

MEMBERS PRESENT: Douglas Buckler; Keith Cooley; James Epolito; Baldomero Garcia; Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached); Faye Alexander Nelson (via telephone); Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached)

MEMBERS ABSENT: Cullen DuBose

CALL TO ORDER: James Epolito called the meeting to order at 10:03 a.m. and welcomed guests. Mr. Epolito then introduced Senator Mark Schauer who addressed the board and thanked them for their consideration of today's projects. He continued by noting that a lot of these companies had several options and lucrative offers from other states and countries and that, because of the team work involved, these companies were choosing Michigan.

APPROVAL OF MAY 20, 2008 MINUTES: Mr. Epolito asked for a motion to approve the May 20, 2008 meeting minutes. **Mr. Garcia motioned approval of the minutes. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

PUBLIC COMMENT: Mr. Epolito opened the floor for public comment. There was none.

STANDARD MEGA CREDITS:

Resolution 2008-50: Priceline.com, Inc., 800 Connecticut Avenue, Norwalk, CT 06854
Valerie Hoag, MEDC Director of Portfolio Management and Packaging, introduced Brian Brown and Jack Berkowitz (via telephone) with Priceline.com, Laura Grimes with the Harrington Group, and Barbara VanDuren with the City of Wyoming, who provided background information on this project.

Priceline.com, Inc. is a leading online travel company that offers customers a broad range of travel services, including airline tickets, hotel rooms, car rentals, vacation packages, cruises and destination services. In the United States, priceline.com offers a unique choice: the ability to purchase travel services in a traditional, price-disclosed manner or the opportunity to use the unique "Name Your Own Price" service, which allows customers to make offers for travel services at discounted prices. Internationally, priceline.com offers customers hotel room reservations in over 60 countries and 22 languages.

In 1998, the priceline.com brand was launched in the United States and has since been expanded to include, among others, Booking.com and Active Hotels in Europe and Agoda in Asia. The company's goal is to be the leading worldwide online hotel reservation service and top online discount travel agent in the United States. Priceline.com intends to establish a call center for Booking.com at an existing facility in Wyoming, Michigan. The call center is an expansion of existing global operations including a sales office located in Manhattan, NY and a sales and service office located in San Francisco, CA. The call center will hire and train agents to assist travelers and hotels with any questions, modifications or changes to existing reservations.

The proposed project would create a total of 424 jobs over the next five years, paying an average weekly wage of \$609. The company will also offer health care benefits and pay a

portion of the benefit costs. In addition, Priceline.com will invest approximately \$7.7 million in leasehold improvements and computer equipment.

Recommendation: The MEDC recommends a 100 percent standard employment tax credit for seven years, for up to 424 net new employees. This recommendation is contingent upon: 1) priceline.com entering into a seven-year lease for the facility; and 2) the City of Wyoming approving a seven-year P.A. 328.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Priceline.com, Inc. and recommends approval of a standard employment tax credit for seven years.* Mr. Epolito asked if there were any questions from the board. Being none, **Director Cooley made a motion for approval of Resolution 2008-50. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-51: Venchurs, Inc., 800 Liberty Street, Adrian, MI 49221

Frank Ferro, MEDC Business Development Manager, introduced Jeff Wyatt, Kevin Fry, Leann Wilt, and Brad Harsh, all with Venchurs, Inc., Gary McDowell and Dane Nelson with the City of Adrian, and Susan Smith with the Lenawee Economic Development Corporation, who provided background information.

Venchurs, Inc. was established in 1973 by John Wyatt, Sr. and is currently a Minority Business Enterprise owned by the Wyatt family, with Jeff Wyatt as CEO and Chairman. The company is located in Adrian and provides services to the Automotive and Construction-Agriculture Industries with expertise in Package Design, Single-Piece, Break Bulk and Complex Kit Packaging. Venchurs' ability to perform Light Assembly & Disassembly, including Powertrain Units, and the proven knowledge base in Warehouse and Distribution are valuable resources for customers. Current customers include CNH, Chrysler, Ford, General Motors, Nissan, Visteon and Toyota.

Started in 2006, Venchurs Global is also headquartered in Adrian, with sales & engineering offices located in Washington D.C. and Beijing, China. Approved as a Tier One Supplier, Venchurs Global provides the Automotive and Construction-Agriculture Industries with Global Sourcing opportunities while securing the Logistics. The company currently employs 122 people in Michigan. Venchurs, Inc. is looking to expand its operations with Toyota, BMW, Ferrari and Ford Customer Service Division with several potential new programs. The company would like to remain in Adrian and manage current and future development and growth at this location, including a potential paint project that would require additional investment beyond the scope of this application.

Amy Deprez provided additional information about the project for the board. The proposed expansion at the company's existing facilities in Adrian would require a capital investment of \$21 million and would result in the creation of 106 new jobs paying an average weekly wage of \$564. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a 100 percent employment tax credit for seven years for up to 106 net new employees.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Venchurs, Inc. and recommends approval of a standard employment tax credit for seven years.* Mr. Epolito asked if there were any questions from the board. Being none, **Director Cooley made a motion for approval of Resolution**

2008-51. Mr. Garcia seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused

HIGH-TECH MEGA CREDITS:

Resolution 2008-52: Azentek, LLC, 6070 South Saginaw Road, Grand Blanc, MI 48439
Tom Young, MEDC Business Development Manager, introduced Johnny Cooper and Jack Duckworth with Azentek, and Janice Karcher and Greg Nicholas with Genesee Regional Chamber of Commerce, who provided background information.

Azentek, LLC, organized in 2006, is located in Grand Blanc and is owned by Johnny Cooper. The company is in the business of designing and developing in-vehicle infotainment systems. The functionality of the systems include all normal computing functionality as well as GPS, music, videos, and several other features. The customers of Azentek include aftermarket dealers as well as automobile OEM's and Tier 1 suppliers. For Azentek's OEM customers, the company works directly with the customer to develop a completely unique infotainment system, with a customized human machine interface (HMI) and functionality of the system. The end result is a customer specific infotainment system designed to give the end consumer an excellent in-vehicle experience. Currently, the company has 12 associates in Michigan.

Amy Deprez provided additional information on this project. To accommodate existing operations as well as continued growth of the company, Azentek needs to expand its operations. The company has identified an existing light industrial facility in Grand Blanc, in which it plans to relocate, renovate, equip and consolidate all current operations to. As a result of this project, Azentek is expecting to create 78 new jobs, paying an average weekly wage of \$961 and will invest more than \$3 million. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a 100 percent high-technology employment tax credit for 10 years, for up to 78 net new employees.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Azentek, LLC and recommends approval of a high-technology employment tax credit for ten years. Mr. Epolito asked if there were any questions from the board. Director Cooley asked if Azentek is in competition with OnStar or InSync. Mr. Cooper responded that while they are working some with these companies, the product developed by Azentek is completely different than these systems. Being no more questions, Director Cooley made a motion for approval of Resolution 2008-52. Mr. Garcia seconded the motion.* The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-53: MAHLE Industries, Inc., 23030 Haggerty Rd., Farmington Hills, MI 48335
Christine Roeder, MEDC Business Development Manager, introduced Wolfgang Rein with MAHLE Industries, Steve Brock with the City of Farmington Hills, and John Anhut with the Farmington Hills EDC, who provided background information.

The MAHLE group of businesses, MAHLE GmbH, is a leading global manufacturer of components for the automotive and heavy duty engine industry. They are among the top 30 Tier 1 suppliers globally. The Farmington Hills location was established in 1998 and serves as MAHLE's North American Technical Center and as such is devoted to Research and Development, Technical Design, Testing and Product Analysis. MAHLE currently employs 935 employees in Michigan, which includes 161 at this Farmington Hills facility.

The proposed project is an expansion of MAHLE's Farmington Hills facility, which currently houses their North American Technical Center. The company is proposing an initial 45,000 sq. ft., four story, office building expansion. In addition to an expansion of Engineering positions, MAHLE would also be consolidating NAFTA wide functions in Human Resources, Controlling, Accounting, I.T. and other administrative functions to Farmington Hills.

Stephen Haakenson provided additional information about the project for the board. MAHLE estimates this expansion will create an additional 155 employees over the next 5 years, with an estimated average weekly wage of \$1,357. The company will also offer health care benefits and pay a portion of the benefit costs. The total investment for MAHLE's proposed expansion in Farmington Hills is estimated at \$27,650,000.

Recommendation: The MEDC recommends a 100 percent high tech employment tax credit for seven years, for up to 155 net new employees.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for MAHLE Industries and recommends approval of a high-technology employment tax credit for seven years.* Mr. Epolito asked if there were any questions from the board. Being none, **Ms. Shinn made a motion for approval of Resolution 2008-53. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-54: Orchid Unique, 6688 Dixie Highway, Bridgeport, MI 48722

Brenda Flory, MEDC Business Development Manager, introduced Mark Burba with Orchid Unique, Richard Dunnell with Bridgeport Charter Township, and Steve Jonas with Saginaw Future, who provided background information.

Unique Instruments, Inc (d/b/a Orchid Unique) is a single source manufacturer of surgical cutting accessories, instruments and implants. The company specializes in surgical drill bits and reamers, surgical cutting burs, surgical blades and implants.

The company was founded in 1977 and currently owns a 41,000 square foot facility in Bridgeport Township and leases a 30,000 square foot facility in Buena Vista Township. Employment at these two facilities is 320 people. The company has 632 employees statewide.

Ken Murdoch provided additional information about the project for the board. Orchid Unique plans to consolidate operations and expand its existing facility in Bridgeport Township. The company expects to create 60 new jobs over the next five years of operations, paying an average weekly wage of \$894 and investing a total of approximately \$3.5 million in building improvements and high precision CNC equipment. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a 100 percent high-technology employment tax credit for seven years, for up to 60 net new employees.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Orchid Unique and recommends approval of a high-technology employment tax credit for seven years.* Mr. Epolito asked if there were any questions from the board. Being none, **Director Cooley made a motion for approval of Resolution 2008-54. Mr. Buckler seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

RURAL MEGA CREDITS:

Resolution 2008-55: MAHLE Engine Components, 916 W. State Street, St. Johns, MI 48879

Susan Novakoski, MEDC Business Development Manager, introduced Sue Carroll with MAHLE Engine Components and Dana Beaman with the City of St. Johns, who provided background information.

The MAHLE group of businesses, MAHLE GmbH, is a leading global manufacturer of components for the automotive and heavy duty engine industry. They are among the top 30 Tier 1 suppliers globally. MAHLE Engine Components has been a prominent employer in the rural community of St. Johns for over 60 years. It was built by Sealed Power Corporation in 1946 to produce automotive piston rings. In 1997, the plant and the piston ring business was sold to Dana Corporation. Finally, in March of 2007, MAHLE Engine Components USA, Inc. purchased the business from Dana Corporation. MAHLE currently employs 935 employees in Michigan, which includes 311 at this St. Johns plant.

The proposed project is for an expansion to the St. Johns facility in order to expand and diversify their piston ring production. On May 1, 2008, MAHLE announced the closure of its Manchester, Missouri piston ring manufacturing plant. The most important products currently made by the Manchester plant are high value added, high technology, heavy duty rings. Some of the coatings produced in Manchester cannot be produced in any other global location.

Stephen Haakenson provided additional information about the project for the board. In order to take on the expansion, the company would invest in a 30,000 sq. ft. expansion to the existing plant in St. Johns, as well as the purchase of \$10.5 million in new equipment and \$4.5 million in equipment transferred from Manchester, Missouri. The total capital investment over five years is estimated at \$18.2 million.

The proposed project would create a total of 150 jobs over the next five years, paying an estimated average weekly wage of \$691. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a 100 percent rural employment tax credit for 10 years, for up to 150 net new employees.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for MAHLE Engine Components USA and recommends approval of a rural employment tax credit for ten years. Mr. Epolito asked if there were any questions from the board. Being none, Director Cooley made a motion for approval of Resolution 2008-55. Mr. Buckler seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused*

RETENTION MEGA CREDITS:

Resolution 2008-56: Rayconnect, Inc., 3011 Research Drive, Rochester Hills, MI 48309

Larry Gormezano, MEDC Business Development Manager, introduced Earl Brown, David Nenno, and Tom O'Neill, all with Rayconnect, Inc./A. Raymond, Inc., and Dan Casey with the City of Rochester Hills, who provided background information.

Rayconnect, Inc., a wholly owned subsidiary of A. Raymond, Inc., was created in 2005 and is located in Rochester Hills. The company designs, develops, manufactures, and sells fluid handling products for the automotive, commercial and construction equipment markets. Since developing this market in Michigan in 2001, the sales have increased from \$500,000 to over \$20

million in 2007. A. Raymond, Inc. was incorporated in the State of Michigan in 1986. In 1999 A. Raymond, Inc. entered into a 10-year lease at their current facility and began local production of specialized assembled products.

The project involves the construction of a new plastics injection molding and assembly facility in Rochester Hills, Oakland County, Michigan, to accommodate the rapid growth of Rayconnect, Inc. Approximately 18% of the facility will serve as a corporate headquarters. Rayconnect, Inc.'s need for the new facility has been driven by the continued growth of its traditional product range along with its expansion into new markets and products.

Greg West provided additional information about this project for the board. The proposed project includes capital investment of approximately \$19,600,000 over six years and would retain a total of 148 jobs over the next five years, paying an estimated average weekly wage of \$786. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a 100 percent employment tax credit for seven years, for 148 retained employees, subject to the following:

- The company must complete an initial capital investment of \$12,300,000 to activate a 100 percent retention credit for 123 retained jobs.
- Subsequent eligible investments of \$100,000 will allow the company to gain an additional 100 percent retention credit for an additional retained job, up to a maximum of 148 retained jobs.
- The total investment must exceed \$14,800,000 to qualify the company for a 100 percent retention credit for all 148 retained jobs.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Rayconnect, Inc. and recommends approval of an employment tax credit for seven years. Mr. Epolito asked if there were any questions from the board. Being none, Mr. Buckler made a motion for approval of Resolution 2008-56. Ms. Shinn seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused*

RETENTION AND STANDARD MEGA CREDITS:

Resolution 2008-57: Brembo NA Homer, Inc., 15300 Centennial Dr., Northville, MI 48168
Larry Gormezano, MEDC Business Development Manager, introduced Daniel Sandberg and Adrian Smith with Brembo, Peggy Sindt with Albion EDC, and Tom Frank with the Albion Township, who provided background information.

Brembo, S.p.A. is a world leader in the engineering, development, and production of high-performance braking systems and components for original equipment, aftermarket, motorcycle, racing, and high-performance vehicles. Brembo has a worldwide portfolio of customers, and also supplies the brake systems for most of the world's formula I, NASCAR, and MotoGP teams. Prior to 2007, Brembo's North American operations consisted of administrative offices and warehouse facilities in Costa Mesa, California, Farmington Hills, Michigan, and Mooresville, North Carolina.

In November 2007, Brembo purchased the brake component manufacturing division of Hayes Lemmerz International, Inc. As a part of this transaction, Brembo acquired a manufacturing facility in Homer, Michigan, and a sales, engineering, and manufacturing group located in Northville, Michigan.

The proposed project will combine Brembo's corporate and technical groups currently located in Costa Mesa, California, Farmington Hills, and Northville into a single North American Headquarters by constructing a 45,000 square foot new NAFTA headquarters and R&D building in Novi to be completed in 2008.

As a part of the proposed project Brembo will also expand the capacity of the company's existing Homer (Albion Township), Michigan facility.

Joshua Hundt provided additional information about this project for the board. The new NAFTA Headquarters and R&D building in Novi will result in the creation of 42 new jobs. The expansion in Homer will result in the retention of 107 jobs and creation of 176 new jobs over five years.

The average weekly wage of the 218 new jobs is \$874. The average weekly wage of the 107 retained jobs is \$991. The company will also offer health care benefits and pay a portion of the benefit costs. The overall capital investment for this project is \$47,025,000.

Recommendation: The MEDC recommends a 100 percent employment tax credit for 10 years for up to 218 new jobs, with a 90 day look back on the newly created jobs. The MEDC also recommends a 100 percent retention tax credit for 5 years for the 107 jobs retained at the Homer facility.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Brembo North America Homer, Inc. and recommends approval of an employment tax credit for ten years with a 90-day look back on newly created jobs. They also recommend approval of a retention tax credit for five years. Mr. Epolito commented that up to this point in the meeting agenda, the State of Michigan has beat out seven states and four countries for projects. It is a highly competitive market and we must do all we can. It is crucial that we work together to continue this success.* Mr. Epolito then asked if there were any questions from the board. Being none, **Ms. Shinn made a motion for approval of Resolution 2008-57. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-58: Production Engineering, Inc., 2330 Brooklyn Rd., Jackson, MI 49230 Tracy Freeman, MEDC Business Development Manager, introduced James Jansen and Cathy Phillips with Production Engineering, and Carol Konieczki and Bill Ross with the City of Jackson, who provided background information.

Production Engineering is a manufacturer of precision machined components for wheel end, steering and drive train applications for speciality truck and construction equipment axles. Principal products include many complex, high precision axle components and the manufacturing equipment now includes over seventy high-tech CNC machining and turning centers. The Company was founded in 1974 with three employees, initially machining small components for various customers. The Company grew rapidly and relocated to a new building in 1982. This building was expanded three times to accommodate additional growth. The Company employs 112 full time employees currently. The manufacturing operation has outgrown its current 68,000 square foot building.

Greg West provided additional information about this project for the board. Production Engineering has outgrown the leased building it occupies and needs to relocate to a larger facility. The proposed project includes the purchase of an existing 440,000 square foot warehouse located in the city of Jackson, Michigan. This project will require revitalization of the building to prepare it for manufacturing operations. Upgrades will include: electrical service

enhancements, installation of compressed air systems, new lighting, a new process water system, overhead cranes, and construction of offices and manufacturing support facilities. Total investment over 5 years is expected to exceed \$11 million. This project will retain 112 jobs with an average weekly wage of \$670 and create up to 122 new jobs with an average weekly wage of \$604. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a 100 percent employment tax credit for 10 years, for 122 new employees, and a 100 percent retention credit for 10 years, for up to 112 retained employees, subject to the following:

- The company must complete an initial capital investment of \$5,000,000 to activate a 100 percent retention credit for 50 retained jobs.
- Subsequent eligible investments of \$500,000 will allow the company to gain an additional 100 percent retention credit for 5 retained jobs, up to a maximum of 112 retained jobs.
- The total investment must exceed \$11,200,000 to qualify the company for a 100 percent retention credit for all 112 retained jobs.
- No additional MEGA approved incentives will be offered for this project.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for Production Engineering, Inc. and recommends approval of an employment tax credit for ten years. They also recommend approval of a retention credit for ten years.* Mr. Epolito asked if there were any questions from the board. Being none, **Director Cooley made a motion for approval of Resolution 2008-58. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

WORK PLAN APPROVALS:

Resolution 2008-59: Detroit Brownfield Redevelopment Authority-Grand River & Six Mile, LLC
Jim Paquet, MEDC Business Development Manager, introduced Steve Qonjah with Grand River and Six Mile project, who provided background information.

The City of Detroit's Brownfield Redevelopment Authority has submitted a work plan request for the approval local and school tax capture to fund \$631,600 of eligible activities.

The project is the demolition of the former Detroit Police 8th Precinct Station in northwest Detroit and redevelopment of the site as neighborhood retail center. Located at the intersection of Six Mile and Grand River Ave., the project will include a 20,000 square foot building anchored by a 14,000 to 15,000 square foot grocery store and a second building of 3,800 square foot with up to three spaces for lease. The site is across from Redford High School.

Previous uses of the site have included two gas stations, an auto repair facility and a machine shop. The property is a facility with arsenic, lead and tri-methylbenzene in the soil. The former police station will require lead and asbestos abatement during demolition.

A \$350,000 SBT credit was approved for the project on November 13, 2007. The local TIF approved by the City of Detroit includes reimbursement of interest expense estimated at \$571,366. A work plan will be submitted to the DEQ requesting state tax capture for reimbursement of environmental remediation and due care activities estimated at \$231,150.

Recommendation: The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$631,600 as described above. Utilizing the

current state to local capture ratio, the amount of school tax capture for this project is estimated at \$231,238.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan request from the City of Detroit Brownfield Redevelopment Authority for the Grand River and Six Mile, LLC Redevelopment Project and recommends approval of school tax capture. Mr. Paquet commented that Mariangela called him and apologized that she was not able to be in attendance today, but voiced to him the full support of the City of Detroit. Mr. Epolito then asked if there were any questions from the board. Being none, Director Cooley made a motion for approval of Resolution 2008-59. Mr. Lockwood seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused*

Resolution 2008-60: Muskegon Brownfield Redevelopment Authority-Betten Project
Jim Paquet, MEDC Business Development Manager, introduced Bryan Betten with the Betten Automotive Group, Todd Anthes with Scholten Fant Attorneys, Ann Couture, Brownfield Consultant, and Cathy Brubaker-Clarke with the City of Muskegon, who provided background information.

The City of Muskegon's Brownfield Redevelopment Authority has submitted a work plan request for the approval of \$1,304,620 in local and school tax capture. This project involves the remediation and redevelopment of a substantial portion of the east and west sides of the 2400/2500 block of Henry Street. This involves a total of 19 acres of property. The overall project is the remediation of the site and the expansion of automotive related retail and service businesses. For simplicity, the project is referred to as the East Project and the West Project. The East Project includes approximately nine acres and will involve site remediation, renovation and expansion of an existing building. It will go from a 30,000 square feet structure to 68,000 square feet. The West Project will involve the demolition of some existing structures and the new construction of two new auto dealership facilities which will replace the Used Car "trailer" with a new modern permanent building. Overall, the entire project will create or rehab almost 113,000 square feet of space. The project will create 36 new jobs, average wages are expected to be \$24 per hour. The project will include sustainable development elements such as: LEED Certification; addition of 25 landscaping islands; reducing curb cuts from 11 down to six; improved storm water management and a more pedestrian friendly streetscape. Total private investment is expected to be \$15 million.

The City of Muskegon is very supportive of this project and has offered the following assistance for the project. They will support a local only Brownfield TIF of \$651,695, a local façade grant of \$5,000 and a Local Environmental Assessment grant of \$42,000. In addition, the project will be seeking an environmental TIF from the Michigan Department of Environmental Quality (MDEQ) in the amount of \$1,043,415 and a MDEQ CMI Loan, in conjunction with the City of Muskego, of \$250,000. Finally, the developer will be seeking a Brownfield Michigan Business Tax Credit in the amount of \$1,220,400.

Recommendation: The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$1,304,620 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$628,305.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan request from the City of Muskegon Brownfield Redevelopment Authority for the Betten Automotive Redevelopment Project and recommends approval of school tax capture. Mr. Epolito asked if there were any questions from*

the board. Being none, **Mr. Buckler made a motion for approval of Resolution 2008-60. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

MEGA AMENDMENT:

Resolution 2008-61: ArvinMeritor OE, LLC, 6401 West Fort Street, Detroit, MI 48209
Peter Anastor, MEDC Manager of Urban Planning and Community Development, introduced Kenyetta Hairston Bridges with the DEGC, who provided background information.

At the March 18, 2008 MEGA Board meeting, ArvinMeritor OE, LLC received approval for a 100 percent employment tax credit for seven years from the Michigan Economic Growth Authority. As part of the resolution, the City of Detroit provided a letter of support for the project and anticipated approval on May 1st for a personal property tax abatement under PA 328 of 1998.

The City of Detroit has postponed the approval process several times and now anticipates approval on June 17th, one day beyond the legislative limit of 90 days from MEGA Board approval. ArvinMeritor has indicated a loss of the PA 328 or the MEGA tax credit would jeopardize the project and location. This was \$15.9 million project, creating 119 new jobs as an estimated weekly wage of \$632.

Recommendation: The MEDC recommends a 30-day extension to allow the City of Detroit to complete their final approval process for a PA 328 on ArvinMeritor's proposed MEGA project.

Board Discussion: *Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed project for ArvinMeritor OE, LLC and recommends approval of an employment tax credit for seven years.* Mr. Epolito asked if there were any questions from the board. Being none, **Director Cooley made a motion for approval of Resolution 2008-61. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

OTHER BUSINESS: Mr. Epolito opened the floor for additional business or discussion.

Peter Anastor requested an amendment to the resolution for one agenda item – Azentek, LLC. The resolution provided to the board cited in the contingencies The City of Grand Blanc as the governmental body to approve a tax abatement. The correct governmental body is Grand Blanc Township. **Ms. Shinn made a motion for approval of Mr. Anastor's amendment. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Director Cooley commented and asked the record to reflect his sincere appreciation to the MEDC Staff for the hard work they do.

ADJOURNMENT: Mr. Epolito adjourned the meeting at 11:42 a.m.