

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
June 26, 2009

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Friday, June 26, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq. N., Lansing, Michigan.

MEMBERS PRESENT: Douglas Buckler; Susan Corbin (acting on behalf of Stanley “Skip” Pruss, authorization attached); Deb Dansby (acting on behalf of Greg Main, authorization attached); Baldomero Garcia; Tim Herman; Michael Kapp (acting on behalf of Kirk Steudle, authorization attached); Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached)

MEMBERS ABSENT: Cullen DuBose

CALL TO ORDER: Ms. Dansby called the meeting to order at 10:14 a.m.

PUBLIC COMMENT:
Ms. Dansby asked if there was any public comment. There was none.

PROPOSED HIGH-TECHNOLOGY/HIGH WAGE MEGA CREDIT:

Resolution 2009-117: General Electric Company (GE)

Penny Launstein, MEDC Site Selection and Special Projects Manager, provided background information for this action and introduced guest presenters; Clif Morehead, Government Relations, General Electric; Lynn Ghandi, Honigman, Miller, Schwartz & Cohn; Leon Wright, Township Clerk, Van Buren Twp.; Sally Hodges, Senior Vice President, McKenna Associates; David Tyler, Development Officer, Wayne County EDGE; and Tony Parlovecchio, Development Officer, Wayne County EDGE

Mr. Morehead thanked the MEDC Board Members and spoke about the proposed project saying several weeks ago GE decided to establish a base and Michigan was the first place that came to mind. He described the base as a two pronged center featuring advanced manufacturing and engineering research. Mr. Morehead talked a little more about GE explaining to the Board just how huge GE really is.. He said in reality GE is divided into multiple sectors of business including GE Energy which includes full range of sources including nuclear, coal, wind, solar, and waste gas power. Mr. Morehead talked about GE's hand in health care mentioning that much of the equipment in health care has GE labeled on it. He mentioned NBC Universal, GE Water, and GE Transportation saying GE focuses on more efficient use and more bang for your buck by interfacing between software and other applications. Mr. Morehead said there will be 1000 really smart people working on these things--young talent from local universities and experienced veterans will have opportunities. Mr. Wright talked about this being an enlightening experience and an enormous boost for the area and the state. Mr. Wright spoke about the residents being excited to hear about the project and thanked GE, Sally Hodges, and the MEDC. Ms. Hodges spoke about an aggressive review and a tremendous approval process. Mr. Tyler spoke about what it means to the community and talked about how thrilled Wayne County was to have GE. He went on to talk about the past week being the most comprehensive due diligence that he's been part of. Mr. Tyler spoke about having a much better understanding of GE and that everybody has done a yeoman's job. Mr. Parlovecchio spoke about fast track permit approvals and breaking ground within 21 days.

Ms. Dansby asked if the MEDC could use the process as a model for the rest of the state. Mr. Parlovecchio answered saying that would be wonderful. Mr. Buckler spoke about the permits usually taking longer than selecting a contractor to break ground. Mr. Buckler also talked about the MEGA Board getting very close to the end of their tax credits and emphasized how important it was to be able to continue doing these types of great projects. Mr. Morehead thanked the Board members again and said he understood that things were difficult to do because GE was such a tremendously complex organization. Mr. Morehead talked about Michigan having a competitive advantage and that Michigan should work to maintain those advantages and build off of them.

Valerie Hoag, MEDC Director, Portfolio Management and Packaging provided additional information on this action.

General Electric Company is considering creating an Advanced Technology and Training Center that will be devoted to manufacturing and service technology, software development and information technology and is considering several sites to either renovate or build in Washtenaw, Oakland, and Wayne Counties. The company will invest approximately \$118.3 million if they choose the lease hybrid option or up to \$175.3 million if they choose a build to suit option. The company plans to create 1,200 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 12 years for up to 1,200 net new employees in excess of an established base of 0.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Dansby asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-117. Mr. Buckler seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

DISCUSSION:

Ms. Dansby asked if there were any additional discussion items. Being none, Ms. Dansby thanked the Board Members and the MEDC staff for their hard work.

ADJOURNMENT: The meeting was adjourned by Deb Dansby at 10:34 a.m.