MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
JULY 15, 2008

PROPOSED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held at the Michigan State Senate Hearing Room, 124 West Allegan Street, Lansing, Michigan, on July 15, 2008.

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

MEMBERS ABSENT: Cullen DuBose; Faye Alexander Nelson

CALL TO ORDER: James Epolito called the meeting to order at 10:05 a.m. and welcomed guests. Mr. Epolito continued by noting that today's meeting agenda is the largest ever, with nine of the proposed projects being due to the legislation that had recently been passed. Finally, Mr. Epolito thanked the Governor, legislators, staff, and economic development partners for working together to make this meeting agenda possible.

APPROVAL OF JUNE 17, 2008 MINUTES: Mr. Epolito asked for a motion to approve the June 17, 2008 meeting minutes. **Director Cooley motioned approval of the minutes. Mr. Buckler seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

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

HIGH-TECH MEGA CREDITS:

Resolution 2008-062: **Attwood Corporation**
David Kurtycz, MEDC Business Development Manager, introduced the guest presenters: Chris Drees, President, and Pete Zimmer, Vice President, both of Attwood Corporation; David Pasquale, City Manager, and Jeanne Shores, Mayor, both of the City of Lowell; and Susan Jackson, Senior Business Development Manager, The Right Place.

Mr. Pasquale presented background information on the company and the project. Attwood Corporation was acquired by the Brunswick Corporation in August 2003 from Steelcase Incorporated. Prior to Brunswick, Attwood Brass Works was founded in 1893 in Grand Rapids. In 1962, the company moved to Lowell to accommodate an expansion and two years later was purchased by Steelcase Incorporated. In 1994, the company again expanded with the purchase of the Swivl-Eze Company, located in Lancaster, Texas and a similar company located in Forest Park, Georgia.

Attwood Corporation is a marine parts and accessories producer and developer, with one of the most advanced engineering and test facilities in the marine industry. This engineering expertise is driving innovation through the research, design and development of the next generation fuel and vapor emissions technology used in their industry. Attwood's advanced laboratory testing facility is helping drive new materials and processes that allow components to withstand the harsh marine environment. Capabilities have grown to include Rapid Prototype Modeling for advanced product designs, one of the most complete and capable in-house quality labs in the business, and automated bar-code systems to ship over 56,000 LTL (less than truckload) shipments a year.

Stephen Haakenson, MEDC Portfolio Manager, provided additional information on this project. Attwood currently has operations in Lowell, Michigan; Forest Park, Georgia; and Lancaster, Texas. Currently the company has 114 associates in Lowell, Michigan. Brunswick Corporation has 300 additional Michigan employees at unrelated entities in Muskegon (Brunswick Bowling & Billiards) and Mt. Clemens (Land N Sea).

Recommendation: The MEDC recommends an 80 percent high-technology employment tax credit for seven years, for up to 50 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the technology required to meet emission requirements and the types of jobs that would be created with this project.* Being no more discussion, **Ms. Shinn made a motion for approval of Resolution 2008-062. Director Cooley seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-063: **Evergreen Solar, Inc.**

Kelly Rogers, MEDC Business Development and Attraction Manager, introduced the guest presenters: Carl Stegerwald, VP Construction Management and Facilities Engineering of Evergreen Solar; and Scott Walker, Executive Director of Midland Tomorrow.

Mr. Stegerwald provided background information on the company and this project. Evergreen Solar, Inc., founded in 1994, develops, manufactures, and sells solar power products, primarily solar panels, that provide reliable and environmentally clean electric power throughout the world. The solar panels produced by Evergreen Solar, Inc. incorporate proprietary crystalline silicon technology known as String Ribbon wafer production. This method uses half the silicon of conventional methods. The three markets the company serves are wireless power, rural electrification, and grid-connected applications. The company does not currently have any employees in Michigan. The proposed project will be a new facility in the City of Midland. This facility will create a product that commercializes an alternative energy technology. This production at this facility will create string for the company's proprietary string-ribbon wafer technology.

Josh Hundt, MEDC Portfolio Manager, provided additional information on this project. The new facility will be Evergreen Solar's first facility in Michigan and will result in the creation of 38 new jobs in the first year of operation and 101 jobs over the next five years. The average weekly wage of the newly created jobs is $863. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The company will make a total capital investment of $55 million for this project.

Recommendation: The MEDC recommends a 100 percent high-technology employment tax credit for 10 years, for up to 101 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the specific technology created and used by this company.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-063. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-064: **ForeSee Results, Inc.**

Amy Banninga, MEDC Acting Director of Business Development and Attraction, introduced the guest presenters: Larry Free, Chief Executive Officer, and Jeff Blackman, Chief Financial Officer, both of ForeSee Results, Inc.

Mr. Free provided background information on the company and this project. ForeSee Results, Inc., co-founded in 2001 by CFI Group and Compuware Corporation, is a leader in online customer satisfaction measurement. The company utilizes the scientific and proven methodology of the University of Michigan's American Customer Satisfaction Index (ACSI) to capture and analyze online voice of the customer data to assist clients with increasing their sales and revenues.

The ACSI is the gold standard for measuring customer satisfaction both online and offline. The ACSI is a leading economic indicator measuring over 200 companies representing nearly 50% of U.S. Gross Domestic Product (GDP) and is the only cross industry methodology that ties customer satisfaction to financial results. ForeSee Results currently employs 101 associates in Ann Arbor and Southfield, Michigan respectively.

Valerie Hoag, MEDC Director of Portfolio Management and Packaging, provided additional information on this project. ForeSee Results plans to expand its operations and establish a 25,000 to 40,000 sq. ft. North American headquarters in Wayne, Oakland, or Washtenaw Counties. ForeSee's expansion plans include: 1) Development of new software technology products that will encompass a new set of internet experience metrics including behavioral, financial and usability; 2) a geographic expansion to include new markets in the United Kingdom, Canada and Mexico; and 3) an expansion of the current customer base to include health care, travel and entertainment, non-profits, and state and local governments.

The proposed investment for the project is approximately $6.6 million. The project is expected to result in the creation of 275 new jobs paying an average weekly wage of $990. The company will also offer health care benefits and pay a portion of the benefit costs.

Recommendation: The MEDC recommends a seven-year high technology employment tax credit, consisting of a 200 percent credit for the first three years and 100 percent for the remaining four years, for up to 275 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Director Cooley noted that he was aware that ForeSee's investors were concerned about the company not choosing to locate on the east or west coast. Mr. Free assured the Board that they were disappointed, but still very supportive of the location to Michigan.* Being no more discussion, **Mr. Buckler made a motion for approval of Resolution 2008-064. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-065: **Gibbs Technologies, Inc.**

Martina Schlagwein, MEDC Business Development Manager, introduced the guest presenters: Neil Graham Jenkins, President and Chief Executive Officer of Gibbs Technologies, Inc.; David Daly, Vice President of Commercial Activities of Gibbs Technologies, Inc.; Laurie Johnson, Economic Development Coordinator of the City of Auburn Hills; and Irene Spanos, Economic Developer of Oakland County.

Mr. Jenkins provided background information on the company and this project. Gibbs Technologies was founded by Alan Gibbs in 1996 to develop the technology for high-speed amphibian (HSA) vehicles. Soon after, Neil Jenkins, a leading automotive / aerospace engineer with specialized expertise in lightweight vehicle technology, joined Gibbs as an investor and shareholder, merging his own company, Krafthaus, into Gibbs Technologies in 1999. Over the past decade, Gibbs Technologies has invested more than $100 million in research and development in HSA technology, at research locations in England, New Zealand and the USA.

Gibbs Technologies, Inc., a Delaware corporation, was organized in 2007 for the purpose of conducting further product development, planning the commercialization and distribution of HSA vehicles for the US market, and serving as a USA quarters. Currently the company has 5 associates in Michigan.

Steve Haakenson provided additional information on this project. Gibbs Technologies is considering locating a planning and research & development facility, related to the high speed amphibian vehicles, in Auburn Hills. They have identified an existing building which they plan to lease for this operation and will invest over $13.4 million in lease costs, leasehold improvements, computers and IT, and machinery and equipment. Over the next five years the company plans to hire an additional 250 employees, paying an average weekly wage of $1,545. 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 250 net new employees, provided the following:

- By the end of the seventh year the company creates a minimum of 250 jobs over the statewide base of 5 or the remaining three years of the credit will be forfeited.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2008-065. Director Cooley seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

***Resolution 2008-066:* Michigan Institute of Aeronautics, Inc. (MIA)**

Jeff Sand, MEDC Business Development Manager, introduced the guest presenters: Charles Hawes, President, and Catherine Vorst, Business Manager, both of MIAT; and Joan Brophy, Deputy Director of the Wayne County Economic Development Corporation.

Mr. Hawes provided background information on the company and this project. The Michigan Institute of Aeronautics, Inc. (MIA) was founded in 1969 in Southeast Michigan. MIA is a private postsecondary institution that provides training in aviation maintenance technician programs. The institute is one of the largest aviatiation maintenance technician schools in the nation. In 2007, MIA formed the Power Technology Institute for training in the power industry. The Power Technology Institute currently has 67 students and is expected to grow to over 600 full time students over the next five years. The MIA currently employs 64 people in Michigan.

The proposed project will be the expansion of the MIA with a new campus in Huron Township. The focus of the new location will be training and research in the alternative energy sector. The students at the new campus will be trained in the power industry to become technicians or dispatchers.

Josh Hundt provided additional information on this project. The proposed project will add 50 new employees in the first year and 103 new employees in the next five years. The average weekly wage is $821. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The company will make a total capital investment of $4.6 million for this project.

Recommendation: The MEDC recommends a 100 percent high-technology employment tax credit for five years, for up to 103 new jobs.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Assistant *Attorney General Tom Schimpf noted that the numbers for current jobs versus new jobs had been reversed in the resolution. Mr. Epolito noted the error for correction.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-066. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-067: **Steel Tool & Engineering Company**

Aaron Young, MEDC Business Development Manager, introduced the guest presenters: Peter LaFond, President of Steel Too & Engineering Co.l; Carl Rashid, Attorney from Butzel Long; and Mark Kibby, City Administrator, and Jim Beaubien, Mayor, both of the City of Gibraltar.

Mr. Beaubien provided background information on the company and this project. Steel Tool & Engineering Co., founded in 1952 in Detroit, Michigan, moved to the company's current location in Taylor in 1968. In 2000, the company opened a second location in Wyandotte. Steel Tool & Engineering engineers and manufactures precision component parts for military and commercial aircraft jet engines. The component parts are manufactured with advanced materials which are created by Steel Tool & Engineering's specialized processes. These processes were developed to meet the exacting specifications and tolerances required in military and commercial aircraft jet engines. Steel Tool & Engineering currently has 83 employees in Michigan. Steel Tool & Engineering is considering combining its facilities in Taylor and Wyandotte into one facility located in an existing facility Gibraltar, Michigan.

Josh Hundt provided additional information on this project. This project will result in the creation of 22 jobs in the first year and 50 new jobs over the next five years. The average weekly wage of these newly created jobs will be $713. The company will also offer health care benefits, and pay a portion of the benefit cost. The overall capital investment for the new project is $3.6 million.

Recommendation: The MEDC recommends a 100 percent high-technology employment tax credit for seven years, for up to 50 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the materials used by this company, as well as the importance of getting the facility staffed with employees who are familiar with machining.* Being no more discussion, **Ms. Shinn made a motion for approval of Resolution 2008-067. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-068: **Technology Associates, Inc. DBA Ranal, Inc.**

Christine Roeder, MEDC Business Development Manager, introduced the guest presenters: Veera Mahajan, President, and Jerry Shovan, Director of Business Development, both of Rana, Inc.l; Laurie Johnson, Economic Development Coordinator of the City of Auburn Hills; and Irene Spanos, Economic Developer of Oakland County .

Ms. Mahajan provided background information on the company and this project. Ranal, Inc. is a tier one supplier to many OEM's for a variety of engineering products. In addition, Ranal, Inc.

provides product design, processing, tool design, software design, simulation and staffing services for many other industries. Ranal, Inc. has the unique ability to design the product and determine the assembly sequence while considering the dimensional relationship for manufacturing. Ranal, Inc. is located in Auburn Hills and has been in the engineering services business since 1992. In that time, the company has grown to 83 engineers. Ranal, Inc.'s business plan calls for future expansion through continued customer support, strategic alliances and acquisitions. Ranal currently has 83 employees in Michigan.

Greg West, MEDC Portfolio Manager, provided additional information on this project. The proposed project includes the leasing of additional space at their current location in Auburn Hills to accommodate growth and future new contracts. Upgrades to the facility include improvements in computer hardware, furniture/fixtures and phone systems. This expansion will allow for the continued growth of their existing operations and means Ranal, Inc. will be able to offer customers a full compliment of engineering services, from product design through start up to support at manufacturing facilities. Total investment over five years will be approximately $2.5 million. This project creates 84 new jobs with an average weekly wage of $1,259. 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 84 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2008-068. Director Cooley seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

STANDARD MEGA CREDITS:

Resolution 2008-069: **Echo Global Logistics, Inc.**

Penny Launstein, MEDC Business Development Manager, introduced the guest presenters: Aaron Leckow, Director of Sales of Echo Global; Lynda Earhart, Senior Development Representative of the Oakland County Economic Development Corporation; and Brian Murphy, Assistant City Manger of the City of Troy.

Mr. Lecow provided background information on the company and this project. Echo Global Logistics, Inc. (Echo) is a leading provider of technology enabled business process outsourcing (BPO) serving the transportation and logistics needs of its clients. The company's proprietary technology platform compiles and analyzes data from its diversified network of over 16,000 transportation providers to efficiently serve its clients' shipping needs and optimize their freight management. The technology enables them to identify excess transportation capacity and obtain preferential rates, service terms and cost savings for its clients. The company is an all mode provider, including truckload (TL), less than truck load (LTL), small parcel, inter-modal, domestic air, expedited services and international. Echo's core logistics services include pre-engagement freight analysis, rate negotiation, shipment execution and tracking, carrier management, routing compliance, freight bill audit and payment and performance management and reporting, including executive dashboard tools.

The company was formed in January 2005 and has grown significantly since that time. During 2007 they served over 4,600 clients using approximately 3,900 different carriers, and increased their enterprise clients from 12 in 2005 to 62 in 2007. Echo has 334 employees in Illinois. The company does not currently have any employees in Michigan.

Amy Deprez, MEDC Project Specialist, provided additional information on this project. Echo plans to open a new sales and customer support operation and is considering Michigan for that operation. The proposed project, if Michigan is chosen, would be located in an existing facility in Troy and would include an investment of over $4.25 million. Additionally, the operation would allow for the creation of up to 950 jobs paying an average weekly wage of $828. 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 ten years, for up to 950 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Director Cooley made a motion for approval of Resolution 2008-069. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-070: **Graphic Packaging International, Inc. (GPI)**
Penny Launstein, MEDC Business Development Manager, introduced the guest presenters: Doug Waterbury and John Caston of Graphic Packaging International, Inc.; Alex Frei, Director, and Betty McIntosh of Cushman & Wakefield; Ron Kitchens of Southwest MI First; and Jerome Kisscornie, Economic Development Director of the City of Kalamazoo.

Ms. McIntosh provided background information on the company and this project. Graphic Packaging Corporation, a wholly-owned subsidiary of Global Packaging International, Inc., is a leading provider of paperboard packaging solutions for a wide variety of products to multinational and other consumer products companies such as Kraft Foods, Anheuser Busch, General Mills and Molson Coors Brewing Company. In March of 2008, Graphic Packaging Corporation merged with Altivity Packaging to form a combined company with sales of $4.4 billion. The company employs over 15,600 people worldwide and has a strong international presence in Mexico, Europe, China, Japan, Australia and Brazil. The company currently employs 701 people in Michigan.

Ken Murdoch, MEDC Grant Specialist, provided additional information on this project. The company is looking to expand an existing folding carton plant in the City of Kalamazoo. The expansion will allow Graphic Packaging Corporation to provide additional paperboard packaging solutions to multinational food, beverage and other consumer product companies.

The proposed expansion would require a capital investment of $27 million and would result in the creation of 160 new jobs paying an average weekly wage of $746. 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 12 years, for up to 160 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Mr. Buckler commented that he runs the Carpenter and Millwrights Union and no one realizes what has happened to the paper industry. This project is a big win for everyone – Thank you, Board members.* Being no more discussion, **Mr. Buckler made a motion for approval of Resolution 2008-070. Director Cooley seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-071: **Harman Becker Automotive Systems, Inc.**
David Kurtycz, MEDC Business Development Manager, introduced the guest presenters: Chris Rau, Sr., Human Resources Manager, and John Fitzgerald, Vice President Program Management, both of Harman Becker Automotive Systems, Inc.; Ara Topouzian, Economic Development Manager of The City of Novi; and Irene Spanos, Economic Developer of Oakland County.

Mr. Rau provided background information on the company and this project. Harman International has been the leading manufacturer of audio and infotainment systems for the consumer, professional and automotive markets for the past 50 years. From the world's first receiver to the first concert hall loudspeaker, its brands, i.e., Harman Kardon, JBL, Infinity, Mark Levinson, Lexicon, and AKG have been responsible for changing the way people experience entertainment. Harman Becker Automotive Systems (HBAS), the automotive division of Harman International, is the world's largest supplier of high-end automotive audio and infotainment systems. HBAS has dedicated facilities around the world. HBAS's North America and Asia divisional headquarters are located in Farmington Hills. Harman Becker currently has 264 employees in Michigan.

The project is part of a corporate wide restructuring effort to streamline Harman International's design and development operations for automotive OEM audio systems. The restructuring includes the closure and partial closure of two out of state sites. The technical resources responsible for the design, development, and validation of the automotive acoustic product line will then be co-located in Novi, Michigan; Bloomington, Indiana; and Bridgend, Wales, UK. The automotive 'Branded Audio' segment continues to grow and this consolidation and expansion in Michigan will allow for a streamlined development cycle for a more efficient overhead structure.

Mr. Epolito interrupted Mr. Rau to introduce the Honorable Governor Granholm to address the MEGA Board and guests. Governor Granholm thanked the MEDC and the MEGA Board for a record day in Michigan economic development. She continued by noting that once the MEGA Board meeting was finished, 6,680 total jobs would be retained/created on a day that General Motors is announcing large job cuts. These projects are so significant in continuing to diversify the state's economy. Governor Granholm concluded her address by thanking all of the companies represented for choosing Michigan, and for employing Michigan's great workers. We continue to be your partners in success and ensure that you thrive here in Michigan. And thank you to the MEDC team for your hard work in putting these projects together and making them happen.

Governor Granholm excused herself – Harman Becker's presentation continues.

Greg West provided additional information on this project. The proposed project includes the new construction of a facility in the City of Novi, with a complete build out to Harman specifications, including offices, labs, evaluation, research and development areas. Total investment over five years will be approximately $10 million. This project will create 135 new jobs with an average weekly wage of $1,450. 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 135 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Director**

Cooley made a motion for approval of Resolution 2008-071. Mr. Lockwood seconded the motion. The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-072: **International Bancard Corporation (IBC)**
Christine Roeder, MEDC Business Development Manager, introduced the guest presenters: David Iafrate, Chairman & CEO, and Jim Hebler, Marketing Communications Director, both of IBC; and Richard Haberman, City Manager, and Jim Albus, Building and Planning Director, both of the City of Clawson.

Mr. Iafrate provided background information on the company and this project. International Bancard Corporation (IBC) is a financial transaction service provider that began operations in 2001 with 2 employees. IBC, located in Royal Oak, Michigan, has grown to include offices in both Michigan and Florida, with clients in 29 states and the ability to do business in all 50 states. IBC provides Visa, MasterCard, American Express and Discover processing capabilities to retail, wholesale, and manufacturing companies in the public and private sectors, using a combination of credit card processing programs, flexible e-commerce solutions and interactive sales to assist clients.

IBC's customer base includes, but is not limited to, manufacturing, retail vendors and suppliers, medical offices, real estate companies, property management firms and financial institutions. The company performs most of its business over the telephone, accessing existing customers and potential new clients via long distance capabilities. IBC currently has 24 employees in Michigan.

Greg West provided additional information on this project. IBC has outgrown its existing facility and needs to relocate to a larger facility. The proposed project includes the purchase of an existing 10,000 square foot building located in the City of Clawson, Michigan. This project will require a complete renovation and remodeling of the building to fit the companies needs. Total investment over 5 years is expected to exceed $2.1 million. This project will create up to 150 new jobs with an average weekly wage of $575. 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 150 net new employees, subject to the following:

- The company must create a minimum of 125 jobs, over the employment base of 24, by the end of the fifth year of operations. Failure to create the 125 jobs by the end of year five will void the remaining two years of the tax credit.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2008-072. Director Cooley seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-073: **Perrigo Company**
William Kratz, MEDC Business Development Manager, introduced the guest presenters: John Eardly, Manager US Tax, and Craig Taylor, both of Perrigo; and Robert Hillard, City Manager, and Rick Day, Mayor, both of the City of Allegan.

Mr. Eardly provided background information on the company and this project. Perrigo Company, established in 1887, is a leading global supplier, developer, and manufacturer of over-the-counter and prescription pharmaceuticals, nutritional products, active pharmaceutical ingredients, and consumer products. The company is the largest manufacturer of over-the-counter pharmaceuticals for the store brand market. Perrigo Company's largest markets are the United States, Israel, Mexico, and the United Kingdom. Perrigo Company currently has 2,569 employees in Michigan.

Josh Hundt provided additional information on this project. The proposed project will consist of a 30,000 square feet headquarter expansion, and a 20,000 square feet plant expansion in two of the company's facilities in Allegan, Michigan. The office expansion will provide space for offices, conference rooms, wellness center, and additional space for future growth. Construction on the project is expected to be completed in early 2010.

This project will result in the creation of 99 new jobs in year one and 400 new jobs over the next five years with an average weekly wage of $881. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The overall capital investment for this project is $10.5 million.

Recommendation: The MEDC recommends a 100 percent standard employment tax credit for 12 years, for up to 400 new jobs.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2008-073. Ms. Shinn seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-074: **Robert Schechter & Associates, Inc. (MyInsuranceExpert.com)**
Christine Roeder, MEDC Business Development Manager, introduced the guest presenters: Lorne Zalesin, CEO of My Insurance Expert; Brian Murphy, Assistant City Manager of the City of Troy; and Mark Adams of Oakland County.

Mr. Zalesin provided background information on the company and this project. Robert Schechter & Associates was formed in 1984 and has grown to provide services under trade names Schechter Wealth Strategies and Schechter Benefits Advisors, with offices in Birmingham, Bloomfield Hills, and Farmington Hills. This broadened the company's offerings to include cradle-to-grave financial services. In 2001, after a 12-year strategic alliance, Robert Schechter & Associates was wholly acquired by National Financial Partners, Inc., based in New York.

Robert Schechter & Associates' newest venture is called My Insurance Expert, which reaches out to the general consumer market through the internet to offer individual health and life insurance. Consumers may interact with My Insurance Expert staff through the web or via phone to obtain rate quotes and insurance policies. Robert Schechter & Associates currently has 71 employees in Michigan.

Steve Haakenson provided additional information on this project. Robert Schechter & Associates is expecting significant growth in the coming years, specifically as a result of the My Insurance Expert initiative. Although My Insurance Expert is currently located in Michigan, the company is experiencing most of its growth in the south and southwest. To accommodate the growth, the company needs to expand their operations and relocate their business. The expansion will result in the creation of 337 new jobs over the next 5 years, paying an initial average weekly wage of $640 and will include an investment of over $1.8 million; including lease costs, leasehold improvements, computers and equipment and telecommunications infrastructure. 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 five years, for up to 337 net new employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval.* Mr. Epolito asked if there were any questions from the board. Being none, **Director Cooley made a motion for approval of Resolution 2008-074. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

BROWNFIELD MBT APPROVALS:

Resolution 2008-075: **607 East Second Avenue, LLC (Durant Hotel Project – Flint)**
Jim Paquet, MSHDA Program Consultant, SE MI Development Team and CAT team, introduced the guest presenters: Richard Karp, Principal, and Kevin Prater, Principal, both of Karp & Associates, LLC.

Mr. Karp provided background information on this project. This project is a mixed-use historic rehabilitation of the Durant Hotel in downtown Flint, Genesee County. This former hotel was constructed in 1920 and named for William C. Durant, founder of General Motors. Situated on a very visible site at the north end of the downtown district the hotel operation was closed in 1973 and is currently in a state of disrepair. The property has remained vacant since its closing in 1973.

The redevelopment of this former landmark eight-story hotel will feature 111 new multi-family residential apartment units, (91 one bedroom and 20 two bedroom), and approximately 14,000 sq ft of commercial space to be used as retail, office, art studio and gallery space. The commercial area is approximately 9% of the total available space in the building. Total building square footage is 156,000. Total investment for the project is estimated at $37.2 million. It is estimated that upon completion the project will create 16 new permanent full time jobs with an hourly wage of $21 per hour.

Jim Paquet provided additional information on this project. The MEGA Board approved tax increment financing for this project at the September 18, 2007 meeting, including funding for demolition, lead and asbestos abatement, site preparation and public infrastructure in the amount of $4.8 million. The developer has also indicated the project will receive Federal and State Historic Tax Credits as well as a HUD EDI Grants, City of Flint HOME Funds, MSHDA HOME Funds and foundation grant support. The project is also located within a tax-free Renaissance Zone.

Recommendation: The MEDC recommends approval of designation as an Urban Development Area Project and a MEGA MBT Brownfield Redevelopment Credit of 20% of the eligible investment, not to exceed a $5,826,463 credit.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT request and recommends approval.* Mr. Epolito asked if there were any questions from the board. Being none, **Mr. Buckler made a motion for approval of Resolution 2008-075. Director Cooley seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

Resolution 2008-076: **JNCC, LLC (Shamrock Village Development – Southfield)**

Jim Paquet, MSHDA Program Consultant, SE MI Development Team and CAT team, introduced the guest presenters: Pauline Millichamp, MEDC Business Development Manager; and Christine Piligian, President of Jonn Realty Ventures.

Ms. Millichamp provided background information on this project. Shamrock Village will be a new development on approximately 50 acres of property located in Redford Township, Wayne County. The property is located along Breakfast Drive, south of Lyndon Street, east of Inkster Road between 7 Mile Road and Grand River Road on the former Catholic Central High School site. The development will consist of 188 units of single family housing, 150 senior independent living units and 20 multi-family condominium units. The average purchase price is estimated at $165,000. The project will consist of 6 phases over 7 years.

Jim Paquet provided additional information on this project. Tax Increment Financing of $5,436,118 approved by the Redford Township Brownfield Redevelopment Authority and the Redford Township City Council along with a MEGA TIF approved in 2006, provided the ground development with the expectation that an MBT request would be forthcoming. There was a delay in applying for the MBT credit because of a legal dispute which was settled in February, 2008 by Wayne County Circuit Court. Since 2006 the property value on the site and the housing market has dropped significantly. Due to the drop in property values, Redford Township will be amending the current brownfield plan within the next few months to add an additional 5.285 acres to the site in order to allow for additional tax capture. As this is primarily a residential project, no permanent new jobs are projected at this time. There is also a MEGA TIF that was approved in 2006 for $5,436,118. It is anticipated that the Redford Township BRA will request an amendment to add additional property to the TIF plan at a future MEGA Board meeting.

Recommendation: The MEDC recommends approval of a MEGA MBT Brownfield Redevelopment Credit of 12.5% of the eligible investment not to exceed a $4,607,681 credit.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Director Cooley made a motion for approval of Resolution 2008-076. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused

<u>BROWNFIELD MBT & WORK PLAN APPROVAL:</u>

Mr. Epolito advised the Board that he would need to recuse himself for the next item on the agenda. **Mr. Buckler made a motion for Mr. Garcia to serve as Temporary Chair in Mr. Epolito's absence. Director Cooley seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 1 recused

[James Epolito Recused]

***Resolution 2008-077:* Phoenix Development Partners, LLC – Brownfield MBT (Accident Fund Project – Lansing)**

***Resolution 2008-078:* Phoenix Development Partners, LLC – School Tax Capture (Accident Fund Project – Lansing)**

Peter Anastor, MEDC Manager of Urban Planning and Brownfields, introduced the guest presenters: Anthony Pecchio, Development Manager of The Christman Company; and Karl Dorshimer of the City of Lansing.

Work Plan Request: $33,300,889

Mr. Pecchio provided information on this project with a video presentation. The proposed development in Lansing is located north of Ottawa Street and east of Grand and is adjacent to the riverfront. The project will redevelop the historic Ottawa Street Station, a decommissioned electric power generation facility and surrounding properties into a Class A office space to be leased by Accident Fund Insurance Company of America (Accident Fund) as its national corporate headquarters. The campus will eventually house 1,200 employees and anticipates 500 new jobs over the next 10 to 15 years, with 250 new jobs over the first five years. The average annual salary is expected to be $57,000.

The project entails the following components: environmental remediation of site and building contamination; demolition of an existing building to the north of the power plant; and the development of an approximately seven acre site, including a 25-foot wide public linear park along the Grand River's edge. Public infrastructure activities will also be conducted, including the removal of an existing 10,000 ton chilled water plant and steam distribution facility, with replacement facilities at new locations and the removal of an existing parking deck currently spanning Grand Avenue and partially occupying the southwest corner of the proposed site.

Lastly, the project will renovate the historic Ottawa plant into a 9 to 10 story Class A office space, construction of a 4 to 5 story building addition designed to complement the historic power plant, and construction of a 5 to 6 story parking deck for approximately 850 to 1,000 car parking deck for Accident Fund employees during business hours and potential public parking in non-work hours.

Peter Anastor provided additional information on this project. The total project budget is estimated at $182 million with roughly $101,400,000 in eligible investments. The total MEGA Eligible Activities anticipated is $33,300,889.

It is anticipated that the City of Lansing and the State of Michigan will work together towards additional project assistance including:
- Establishment of a Renaissance Zone at the site, resulting in property and business tax savings of approximately $45 million over 15 years.
- The Michigan Department of Environmental Quality will allocate Clean Michigan Initiative funds of up to $3 million to the City of Lansing, to be used for public riverfront improvements.
- The City of Lansing Brownfield Redevelopment Authority will allocate approximately $600,000 of federal EPA grant funds to be used for environmental assessment/remediation of the site.
- The project expects to benefit from state/local historic tax credits valued at $10 - $12 million.
- The project also expects to benefit from New Markets Tax Credits valued at $2 - $4 million.

Recommendation: The MEDC recommends approval of local and school tax capture for the eligible activities totaling $33,300,889 described above. Utilizing the current state to local capture ratios described above, the amount of school tax capture for this project is estimated at $12,603,670.

The MEDC also recommends approval of a MEGA MBT Brownfield Redevelopment Credit of 12.5% of the eligible investment not to exceed a $10,000,000 credit.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT request and Work Plan and* *recommends approval.* Mr. Garcia asked if there were any questions from the Board. *Ms. Shinn commented that this project is going to change the Lansing Downtown landscape in a wonderful way and she hopes the board will be able to receive updates on the project.* Being no more discussion, **Ms. Shinn made a motion for approval of Resolution 2008-077. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 1 recused. **Director Cooley then made a motion for approval of Resolution 2008-078. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 1 recused

[Director Cooley leaves for remainder of the meeting]

[Mr. Epolito returns and resumes role of Chairman]

<u>WORK PLAN APPROVAL:</u>

***Resolution 2008-079:* City Center Two Project, LLC – School Tax Capture**
***Resolution 2008-080:* City Center Two Project, LLC – Brownfield MBT**
Jim Paquet, MSHDA Program Consultant, SE MI Development Team and CAT team, introduced Tom Durkee of the Michigan State Housing Development Authority (MSHDA) who introduced the guest presenters: Scott Schappelle, President, and Kevin McGraw, Director of Development, both of Strathmore; and Tim Dempsey, Community and Economic Development Administrator of the City of East Lansing.

Work Plan Request: $57,835,839

Mr. Chappelle provided background information on the project. The total project site consists of 5.46 acres in the area encompassed by Grand River Avenue, Abbot Road, Evergreen Road and Albert Street in downtown East Lansing. Currently, this area contains a variety of contaminated, vacant, blighted and obsolete buildings and properties. The developer is proposing redevelopment that will involve demolition and remediation activities. It will also include construction that will include a total of six new separate buildings, a pedestrian overpass linking three of the buildings, along with road and infrastructure improvements. This request for the Large MBT Credit for Project #1 is specifically for the portion of the project that involves a new 10-story mixed-use building. The 10-story mixed-use building will include retail, restaurant, hotel, office, residential apartments and a performing arts center. The other buildings included in the project include a new five-story mixed-use building with retail and residential apartments; a new multi-level parking deck with 520 spaces; a new four-story apartment building; and two, three story townhome style apartment buildings. In total over 585,000 square feet will be developed.

Jim Paquet provided additional information on this project. It is anticipated that 237 new jobs will be created as part of the overall Work Plan project, with overall total capital investment anticipated at $90,120,720. This project will account for about 150 of those jobs. It is not known what the exact levels of the wages will be. However, the new jobs will range from entry level retail, to professional salaried, commercial type positions. The eligible investment anticipated is expected to exceed $50,000,000 for this MBT request; however the credit will be limited to $10,000,000. The MEGA Eligible Activities anticipated are $57,835,839.

Recommendation: The MEDC and MSHDA Brownfield staff recommend the approval of an Urban Development Area Project and a 15% MBT Brownfield Credit not to exceed $383,145.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT request and Work Plan and recommends approval.* Mr. Epolito asked if there were any questions from the board. Being none, **Mr. Garcia made a motion for approval of Resolution 2008-079. Mr. Lockwood seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused **Mr. Garcia then made a motion for approval of Resolution 2008-080. Ms. Shinn seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

<u>WORK PLAN APPROVAL:</u>

Resolution 2008-081: **Cedar Street School Project – City of Lansing**
Jim Paquet, MSHDA Program Consultant, SE MI Development Team and CAT team, introduced Tom Durkee, MSHDA Program Consultant, CAT team of the Michigan State Housing Development Authority who introduced the guest presenters: Brian Anderson of the City of Lansing; and Gail Shafer, Partner, Old Town Medical Building, LLC.
Work Plan Request: The City of Lansing's Brownfield Redevelopment Authority has submitted a work plan request for the approval of $428, 322 in local and school tax capture.

The project is the renovation, alteration, and improvement of a three-story, former elementary school building that has been vacant over ten years. The building's interior is in a serious state of disrepair. The developer is going to utilize the first floor for a regional destination retail tenant, Thread Bare. The second floor will be utilized as a general practitioner medical office and a physical therapy facility. The third floor will be used as a membership based fitness center and gym. Even the roof will be utilized for activities related to physical therapy and fitness, providing the opportunity for outdoor activity. The renovation plans call to expand the usable space from the current 13,000 square feet to 20,000 square feet. The project is located in the Old Town area of downtown Lansing in Ingham County. The developer is planning on attaining Silver Level LEED Certification. The project will also bring aesthetic improvements to the property with new parking surfaces and enhanced landscaping. The total capital investment anticipated is about $4 million. The total eligible investment anticipated is $3,887,717.

The project is located within the boundaries of the City of Lansing, a qualified local governmental unit, and has been deemed functionally obsolete, as verified by a level IV assessor. The property is the subject of a Brownfield plan, duly approved by the City of Lansing on March 24, 2008.

Recommendation: The MEDC recommends approval of local and school tax capture for the eligible activities totaling $428, 322, with a maximum amount of school tax capture for this project of $169,299.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Work Plan and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2008-081. Ms. Shinn seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

<u>BROWNFIELD MBT AMENDMENT:</u>

Resolution 2008-082: **Delphi Automotive Systems, LLC**
Peter Anastor, MEDC Manager of Urban Planning and Brownfields, introduced the guest presenter: Bill Adamson of Delphi Automotive Systems, LLC.

Mr. Adamson provided information about this project. The MEGA Board approved a Large Brownfield Redevelopment SBT credit for the Delphi Energy and Chassis Systems in Wyoming, Michigan on December 18, 2001. At that time, the project consisted of eligible investments up to $99,000,000 for a credit not to exceed $9,900,000. The project included the addition of machinery and equipment for variable cam phasing and cylinder applications, as well as other investments to enhance the competitiveness of the facility. In addition, Delphi proposed, in conjunction with an unknown lessee, the redevelopment of 1,000,000 square feet at the south part of the plant.

Delphi has now requested that the project be extended for an additional five (5) years and to amend the project to be completed in three phases. Investment up to the original project limit of $99 million has been slowed in the last few years do to the deteriorated economic condition in the industry. While investment continues, the extension would help facilitate further development of the site and is more detail is provided below.

Phase I is completed and includes investment made to support engine components manufactured at the facility for General Motors, including cam phasers, cylinder deactivation lifters and other components for dual overhead cam engines (DOHC). A portion of the machinery and equipment was also added to support engine components for Toyota.

Phase II was completed in 2007 and includes additional capacity investment to support Toyota engine components as well as a new version cam phaser for General Motors that will be used for a high feature V6 engine.

Some of the key investment initiatives in Phase III are still to be determined for new uncommitted business. However, currently it includes an approved project to upgrade the power distribution system of the facility. The facility is also investing in new equipment for its' Roller Hydraulic Valve Lifter product line.

With Delphi's multiphase amendment request and a five (5) year extension, the new completion date is December 18, 2011.

Recommendation: The MEDC recommends approval of the amendment request to change the project to a three-phase, multi-phase project and to add an additional five (5) years to complete the project.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Amendment and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2008-082. Mr. Garcia seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

<u>MEGA AMENDMENT:</u>

Resolution 2008-083: **BAE Systems Land and Armaments, LP**
Peter Anastor, MEDC Manager of Urban Planning and Brownfields, presented this project.

On April 22, 2008, BAE Systems Land and Armaments LP was awarded an Employment Credit of 100 percent for fourteen consecutive years, beginning no later than the Company's tax-year ending December 31, 2010, with an average weekly wage of $1,707. The application and terms letter established an average weekly wage of $1,601. The MEGA and BAE have not yet entered into the MEGA Tax Credit Agreement because Resolution 2008-29 approves an average weekly wage of $1,707 rather than the $1,601.

Recommendation: The MEDC recommends that the Resolution be amended to reflect an average weekly wage of $1,601 for the purpose of executing the agreement and collecting the credit. No other changes will occur with respect to the number of years, percentage of credit, or base number of employees.

Board Discussion: *Mr. Lockwood gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendment and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2008-083. Mr. Garcia seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

Ms. Shinn asked about the possibility of transferring the authority for approving smaller amendments to wage and job numbers to the MEDC.

<u>DISCUSSION:</u> Mr. Epolito opened the floor for additional business or discussion. There was no additional discussion.

<u>ADJOURNMENT:</u> **Mr. Garcia made a motion to adjourn the meeting. Ms. Shinn seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused

The meeting adjourned at 12:35 p.m.