

ADOPTED MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) board was held at the George W. Romney Building, 111 South Capitol Avenue, on July 19, 2006, at 10:00 a.m.

Members Present

Jim Epolito

Bo Garcia

Sande-Bain MacLeod

Scott Schrager (acting for and on behalf of Robert Kleine, authorization attached)

Jackie Shinn (acting for and on behalf of Kirk Steudle, authorization attached)

Robert Swanson

Others Present

Karen Ammarman, MEDC

Peter Anastor, MEDC

Kevin Anderson, City of South Haven

Rob Bacigalupi, City of Traverse City

Amy Banninga, MEDC

Jared Belka, MEDC

Calli Berg, MEDC

Tiffany Bloom, MEDC

Joe Borgstrom, MSHDA

Toni Brownfield, MEDC

John Burtka, SKD L.P.

Jamie Callahan, Chief of Staff for Sen. Jason Allen

Mark Dancer, Kinney Building, LLC

Lisa Dancsok, MEDC

Jean Derenzy, Grand Traverse County BRA

Keith Deyer, AVL Powertrain Engineering

Jim Donaldson, MEDC

Karen Lee, MEDC

Bill Lichwalla, AVL Powertrain Engineering

Carol Knobloch Johns, MEDC

Pete Kapuscinski, Albemarle Corporation

Leah Maher, MEDC

Philip Marshallsay, Alphi Manufacturing

Jim McBryde, MEDC

Jack McCloughen, City of South Haven

Mark Morante, MEDC

Susan Novakoski, MEDC

Dan Oegema, City of Grand Rapids

John Paul, The Bank of Northern Michigan

Nate Pilon, MEDC

Matthew Rick, Attorney General's Office

Chet Ricker, AVL Powertrain Engineering
Gerry Seyferth, Seyferth Construction
Peter Strom, Grand Traverse County
Dennis Sturtevant, Dwelling Place
John Sych, Grand Traverse County
Vern Taylor, MEDC
Dustin Thomas, Albemarle Corporation
Reb Turner, Hillsdale County
Greg Warriner, SKD L.P.

Call to Order

Robert Swanson called the meeting to order at 10:05 a.m.

Approval of Minutes from July 11, 2006

After review, a motion was made, supported and carried that board meeting minutes from the July 11, 2006 meeting be adopted

Public Comment

There was no public comment.

ACTION ITEM

*Albemarle Corporation
330 South Fourth Street
Richmond, Virginia 23219*

Albemarle Corporation provides innovative development, manufacturing and marketing of complex chemicals and services and serves as a global supplier of specialty chemicals. Their products are sold into markets including consumer electronics, petroleum refining, packaging, construction, automotive, pharmaceuticals and agrichemicals. Jim Donaldson introduced Pete Kapuscinski and Dustin Thomas with Albemarle Corporation, and Kevin Anderson and Jack McCloughen from the City of South Haven. Mr. Kapuscinski explained the company's plans to the board.

Albemarle Corporation is proposing to purchase the failing DSM Pharma Chemicals North America (DSM). In early 2006, DSM announced that it would be closing the facility in South Haven and would lay off the workers at the facility. The community successfully identified a company – Albemarle Corporation – to purchase the existing DSM facility. The project will save the 109 current DSM employees and will add at least 17 new jobs by 2009.

Total capital investment for this project is roughly estimated to be at \$32 million. This figure includes the purchase of the existing facility, machinery and equipment, and the

business itself. It also includes an estimated \$2.4 million investment for upgrades to the existing facility.

It is estimated that this facility will generate a total of 404 jobs in the state by the year 2017. Total state government revenues through the year 2017, would be increased by \$18 million due to the presence of this facility.

As an alternative to investing in the South Haven DSM site, Albemarle is considering expanding their South Carolina pharmaceutical activities. Since the South Carolina site exists and is fully staffed, it would not involve the same level of investment as the purchase of the DSM facility. The expansion of the South Carolina site was part of the company's original growth plan prior to the discussions of purchasing the DSM facility.

The City of South Haven is very supportive of this project. South Haven's City Manager, Kevin Anderson, voiced the city's support. They have proposed a 50 percent abatement of the company's new real and personal property for 12 years. The estimated value of this abatement is \$193,944. The details of the local commitment to this project cannot be finalized until the company closes on the DSM facility. It is, however, expected to be finalized within 60 days of the MEGA board action.

In addition to the above, the State of Michigan will offer 50 percent abatement of the six-mill State Education Tax to match the term of the local property tax abatement. The estimated value of this abatement is \$22,320.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent rural retention employment tax credit for 11 years, for up to 139 retained employees. Because this credit is for retention of jobs, it will be subject to a repayment penalty as required by Public Act 24 of 1995 as amended if the company does not meet the requirements outlined in the MEGA Credit Agreement.

Board Discussion

Bo Garcia gave the Executive Committee report. The Executive Committee recommended approval of the requested MEGA tax credit.

Karen Ammarman discussed new statutory language, which is reflected in the resolution. Hearing no further discussion, a motion was made and supported and Resolution 2006-42, authorizing a rural MEGA job retention tax credit for Albemarle Corporation, was adopted.

ACTION ITEM

*SKD L.P.
260 Gaige Street
Jonesville, Michigan 49250*

Jim Donaldson began the presentation by introducing Greg Warriner and John Burtka with SKD L.P. and Reb Turner from Hillsdale County. Mr. Burtka discussed the project. SKD L.P. was founded in 1993 as a manufacturer of metal stampings, components, and weldments to the automotive industry in North America. The company is a Tier I supplier to DaimlerChrysler, General Motors, Ford, Honda, and Mitsubishi. SKD has affiliate locations in Canada, Mexico, and China. The company is also an affiliate of National Materials Limited Partnership. The company currently has 421 full time Michigan employees at its Jonesville and Troy locations.

SKD is considering a phased expansion of its Jonesville facility to support sales growth within the United States automotive market. In the first phase, up to 120 jobs will be created, with a required investment of \$8.2 million to modernize the pressroom and purchase a larger tonnage press. Two subsequent expansions under discussion could require similar additional investment to further upgrade the press room and ancillary areas of the plant. The presses that will be acquired are large, and will serve to further anchor the business in Michigan. If all phases of the project are undertaken, the company could add up to 400 new jobs, paying an average weekly wage of \$554.

It is estimated that this facility will create a total of 847 jobs in the state by the year 2017. We also estimate that the project would increase total state government revenues through the year 2017, of \$13.9 million due to the location of this facility.

Because of the number of southern automotive assembly plants, SKD Automotive has also considered a location in Scottsdale, Alabama, where a building shell is available and could be finished to suit their specific needs. The local community has offered this property at an extremely low lease rate. Lower taxes and labor costs could save the company up to \$1.5 million per year once the expansion is fully staffed.

The Michigan Department of Transportation (MDOT) is working with local officials to review the configuration of streets in the vicinity of the facility. If improvements are identified through this review, MDOT may provide Transportation Economic Development funds in support of the project.

Mr. Turner from the Village of Jonesville expressed the community's support for this project. The Village of Jonesville will vote on the proposed 12-year PA 198 property tax abatement for all new real and personal property related to this project at its August 16 village meeting. The estimated value of the PA 198 abatement is \$736,000.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for 10 years, for up to 400 net new jobs.

Board Discussion

Bo Garcia gave the Executive Committee report. The Executive Committee recommended approval of the requested MEGA tax credit.

Hearing no further discussion, a motion was made and supported and Resolution 2006-43, authorizing a standard MEGA tax credit for SKD L.P., was adopted.

ACTION ITEM

*Alphi Manufacturing, Inc.
576 Beck Street
Jonesville, Michigan 49250*

Jim Donaldson introduced Philip Marshallsay with Alphi Manufacturing, Inc. The company is a Tier 1 supplier of tubular metal products for the automotive industry. Alphi is certified to ISO 9001:2000 quality standards and is working to achieve TS16949. Mr. Marshallsay explained the reason for Alphi Manufacturing's request for tax credit.

The factory in Jonesville has been involved with the manufacture of tubular products for over 40 years. Since 1999, the company has tripled its sales revenues and employment and invested over \$6 million in new equipment, renovations and system improvements. The company currently has 181 employees at its Jonesville location.

Alphi is organized on a cellular manufacturing system and currently operates fourteen tube bending cells. The company has been awarded new business for two new exhaust platforms for the 2007 model year. These new programs and other targets will require Alphi to add a minimum of four more bend cells over the next 12 months. The company anticipates the investment of \$4.2 million to expand and equip the facility, and the creation of up to 120 new jobs over the first five years of project operations. These new positions will pay average wages of \$427 per week.

It is estimated that this facility will create a total of 177 jobs in the state by the year 2013. We also estimate that the project would increase total state government revenues through the year 2013, of \$2.7 million due to the location of this facility.

Due to capacity constraints, the company requires a larger facility to accommodate their projected growth. They are considering two options; expansion of their current factory in Michigan, or a partial or complete relocation to a lower cost location in one of Michigan's neighboring states. Indiana is the most likely alternative location, due to its

proximity to one of their largest customers and their largest tube supplier. They have considered locations in Muncie, Peru and Franklin, Indiana. Lower wage and benefit costs could save the company up to \$360,000 per year once the expansion is fully staffed.

The Village of Jonesville has proposed a 12-year PA 198 property tax abatement for all new real and personal property. The proposed abatement will be on the agenda of the August 2 village meeting. The estimated value of the PA 198 abatement is \$304,000. The Village has also proposed to use funds from its Local Development Finance Authority to move utility lines, at a cost of \$55,000, and has paid the company's MEGA application fee of \$5,000. Reb Turner expressed the community's support for this project.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for seven years, for up to 120 net new jobs.

Board Discussion

Bo Garcia gave the report on behalf of the Executive Committee. The committee has recommended support of the company's request for a rural MEGA tax credit.

Jim Epolito asked about the availability of a skilled workforce in the area. Mr. Marshallsay discussed the redeployment of other workers from closed plants in the area, along with the work ethic of the agriculturally trained workers in the area. Mr. Turner mentioned the loss of jobs in the area from 2001-2004 and how pleased the village and the surrounding communities are to support the Jonesville projects.

Hearing no further discussion, a motion was made and supported and Resolution 2006-44, authorizing a rural MEGA employment tax credit for Alphi Manufacturing, Inc., was adopted.

ACTION ITEM

*AVL Powertrain Engineering, Inc.
47519 Halyard Drive
Plymouth, Michigan 48170*

Keith Deyer and Chet Ricker from AVL Powertrain Engineering, Inc., were introduced and explained the project. AVL Powertrain Engineering, Inc (PEI) is a wholly owned subsidiary of AVL Michigan Holding Corporation, which in turn is a wholly owned subsidiary of Austria based AVL List GmbH, a global company that designs and develops powertrain systems and related vehicle instrumentation test systems. AVL PEI designs, develops and provides engineering services for the development and testing of vehicle powertrain systems. The proposed project is an engineering technical

center that would serve clients throughout North America. The new facility would house several dynamometers, including at least one mobile dynamometer, allowing for advanced simulation on engines in the pre-prototype phase.

The investment that is proposed at this time is for the renovation of leased facilities in Plymouth Township, as well as new machinery and equipment, and other personal property. The total number of new jobs to be added by AVL Powertrain Engineering, Inc. through 2011 as a result of this new engineering technical center is 125. The average weekly wage is estimated to be approximately \$1,238.

Total capital investment for the project would be approximately \$2.9 million, including \$1.4 million in machinery and equipment, \$1 million in leasehold improvements and \$525,000 for computers, furniture and other personal property. An additional \$2 million has been budgeted for this project for lease payments over eight years.

It is estimated that this facility will generate a total of 157 jobs in the state by the year 2018. Total state government revenues through the year 2018, would be increased by \$2.1 million due to the presence of this facility.

South Carolina's International Center for Automotive Research (ICAR) at Clemson University was also considered as another North American site for the location of this project. Both the wages and taxes are lower in South Carolina, creating a cost disadvantage for Michigan. The parent company would like to see the facility placed near the company's headquarters in Graz, Austria. AVL North America, AVL PEI's North American parent company, had to fight hard to get the project placed in Michigan and the proposed MEGA credits have been instrumental in making the case for Michigan.

The State of Michigan will provide a 50 percent abatement of the six-mill State Education Tax for a period of time to match the local real property tax abatement. The value of this abatement is estimated at \$55,661.

The Charter Township of Plymouth has proposed a 50 percent abatement for real and personal property related to this project for a period of 12 years. The estimated value of this abatement is \$375,154. Final approval is expected by the Township Board of Trustees at their meeting on August 15, 2006.

Recommendation

The Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for 12 years, for up to 125 net new employees.

Board Discussion

Bo Garcia gave the report on behalf of the Executive Committee. The committee has recommended support of the requested tax credit.

Hearing no further discussion, a motion was made and supported and Resolution 2006-45, authorizing a MEGA high tech employment tax credit for AVL Powertrain Engineering, Inc., was adopted.

Karen Ammarman and Mark Morante discussed the number of rural MEGA credits that are statutorily allowed to be approved annually. Since the law has recently changed to allow additional rural tax credits to be adopted, and since a project that was acted on by this board earlier in this meeting, SKD L.P., would qualify for tax credit under the criteria for rural MEGA tax credits, a motion was made, supported and passed to reconsider the original vote on the SKD L.P. project.

Upon further discussion, a motion was made and supported, and Resolution 2006-43, was redacted to authorize a rural MEGA employment tax credit for SKD L.P. This motion passed unanimously and the resolution was adopted.

ACTION ITEM

*City of Grand Rapids Brownfield Redevelopment Authority
Grand Rapids, Michigan
Verne Barry Place*

Joe Borgstrom began this presentation by introducing Dan Oegema with the City of Grand Rapids and Dennis Sturtevant with Dwelling Place. Mr. Sturtevant, representing the developer, explained the project. The property to be redeveloped is located within the locally designated Heartside Historic District at 40 and 60 South Division Avenue and includes three buildings. The project includes the interior demolition and rehabilitation of all the structures and excavation of the old footings and foundations for a demolished building that was located on the vacant lot at 60 South Division. The street reconstruction includes new storm and sanitary sewer connections, new water service, and complete sidewalk reconstruction including new curb and gutter. The property will be redeveloped into a 95,465 square foot mixed-use project consisting of 15,375 square feet of commercial space for arts related tenants and service providers for the residents in the housing units, along with two live/work apartment units with attached gallery and/or studio space and 116 affordable housing units providing supportive services to mentally and developmentally disabled residents. There will also be a 39 car parking structure for commercial and residential users.

Brownfield Work Plans are based on several criteria outlined in the statute. These criteria have been met.

This project is a continuation of the successful Martineau Avenue project. The streetscape will enhance the livability and walkability of this area increasing its' attractiveness as a mixed-use location. This initiative has already been designated as one of the State of Michigan's "Cool City Neighborhoods" and is part of the project that is a recipient of a Cool Cities \$100,000 catalyst grant.

It is anticipated that 11 new full-time jobs will be created in the commercial component and 15 full-time jobs retained. Jobs retained include seven employees of Heartside Ministries and eight employees of Dwelling Place.

The City of Grand Rapids unadjusted unemployment rate was 7% in May 2006. This compares to the statewide seasonally adjusted average of 6% in May 2006.

The project involves asbestos and lead-based paint removal. A due care plan is in place to ensure that there is no human exposure to the contaminated soils during removal.

This project has major private sector participation as follows:

Steelcase Foundation	\$ 300,000
Fry Foundation	100,000
Grand Rapids Community Foundation	150,000
Federal Home Loan Bank	500,000
National City – State Historic Credit	138,011
National Equity Fund	<u>+ 11,494,778</u>
Total Private Equity Sources	\$12,682,789

The developer is also seeking a \$324,000 Brownfield SBT Tax Credit for the commercial portion of this project. In addition, the project is anticipated to receive the following Federal, State and Local incentives:

MSHDA HOME Loan	\$ 2,000,000
City of Grand Rapids HOME Loan	253,657
HUD funds SHP Funding	400,000
State Historic Credit	138,011
Existing Reserve Transfer	206,600
City of Grand Rapids PILOT Abatement	1,232,237
LIHTC Net Equity	<u>+11,494,778</u>
	\$15,725,283

There are 44.5613 mills available for capture with school millage equaling 23.8258 (54%) and local millage equaling 20.7355 (46%). The recommended tax capture breaks down as follows:

School Tax Capture (54%)	\$207,900
Local Tax Capture (46%)	<u>+177,100</u>
Total	\$385,000

PROJECT COSTS:

Demolition	\$ 155,000
Site Preparation	150,000
Infrastructure Improvements	+ 30,000
Sub-total	\$ 335,000
Contingency	+ 50,000
Total	\$ 385,000

The project is located within the City of Grand Rapids, a qualified local governmental unit, and has been deemed a facility. The property is the subject of a brownfield plan duly approved by the City of Grand Rapids on April 25, 2006.

Recommendation

The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$385,000 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$207,900.

Board Discussion

Bo Garcia gave the report on behalf of the Executive Committee. The committee has recommended support of the request for tax capture.

Peter Anastor discussed new language in the resolution that speaks to the total amount of eligible activities and the approximate tax capture. This language allows for flexibility to accommodate variations in millage rates over time. Resolutions written for board action with regard to work plan approval and state to local tax capture ratio will contain this language. The new language allows for a variation in the ratio approved of up to five percentage points without the project having to return to the Board for subsequent approval and will be included in resolutions going forward.

Hearing no further discussion, a motion was made and supported and Resolution 2006-46, authorizing the City of Grand Rapids Brownfield Redevelopment Authority to capture school operating taxes for the redevelopment project by KBC Limited Dividend Housing Association, LP, the Verne Barry Place project, was adopted.

ACTION ITEM

*Manistee County Brownfield Redevelopment Authority
Manistee, Michigan
River Parc Condominium project*

Joe Borgstrom introduced Gerry Seyferth from Seyferth Construction. Mr. Seyferth is the developer and discussed the project. The project consists of the construction of a

three-story, 20,000 square feet, 10-unit waterfront condominium complex and construction of a 10-unit enclosed parking structure with three to five boat docks along the Manistee River channel. The south portion of the property is topographically steep, with over 20 feet of vertical drop to the river channel, therefore, this portion of the site will be re-graded to allow the placement of the building to stabilize the slope and the shoreline.

A number of improvements will be made to the public infrastructure, such as the construction of a new 140 foot long river walk along the south edge of the property on the Manistee River channel, the creation of a new curb cut on the west side of Washington Street, and creation of a streetscape along Washington Street.

The property has been vacant and used as an unpaved parking area for nearby businesses for the past 15 years.

Brownfield Work Plans are based on several criteria outlined in the statute. These criteria have been met.

The County of Manistee unadjusted unemployment rate was 8.7% in April 2006. This compares to the statewide seasonally adjusted average of 7.2% in April 2006.

On April 17, 2006 the MDEQ approved a work plan for due care activities in the amount of \$36,500.

It is anticipated that these will be second homes and therefore the tax capture is based on non-homestead properties. There are 57.6330 mills available for capture with school millage equaling 24 (42%) and local millage equaling 33.6330 (58%). The recommended tax capture breaks down as follows:

School Tax Capture (42%)	\$138,726
Local Tax Capture (58%)	<u>+191,574</u>
Total	\$330,300

Since this project is a residential project, some of these properties could become homestead properties. If any of the property is classified as homestead, then the amount of school tax capture would be reduced due to the removal of capture of the 18 mills for school operating purposes.

PROJECT COSTS:

Site Preparation	\$186,300
Infrastructure Improvements	<u>+144,000</u>
Total	\$330,300

The project is located within the City of Manistee, a qualified local governmental unit, and has been deemed a facility. The property is the subject of a brownfield plan

approved by the Manistee County Board of Commissioners on September 20, 2005 and the City of Manistee on August 2, 2005.

Recommendation

The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$330,300 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$138,726.

Board Discussion

Bo Garcia gave the Executive Committee report. The Executive Committee has recommended approval of the requested tax capture.

Hearing no further discussion, a motion was made and supported and Resolution 2006-47, authorizing the Manistee County Brownfield Redevelopment Authority to capture school operating taxes for the River Parc Condominium redevelopment project, was adopted.

ACTION ITEM

*Grand Traverse County Brownfield Redevelopment Authority
Traverse City, Michigan
Kinney Building redevelopment project*

Representatives of the community and for the project were introduced. Jean Derenzy with the Brownfield Redevelopment authority was on hand, along with John Sych, Rob Bacigalupi, and Peter Strom from Grand Traverse County. John Paul with The Bank of Northern Michigan was introduced, along with Jamie Callahan, Chief of Staff for Senator Jason Allen.

This redevelopment will split the property in question into three parcels. The southernmost parcel will be redeveloped and will contain a new branch of a regional banking institution. This institution will consist of 20,640 square feet and will be a three-story building. The northern parcel will contain a commercial/office, 11,448 square feet, two-story building. The western parcel will be for parking and will house the storm water management system below the pavement.

These uses will be more compatible with the surrounding land uses and the City of Traverse City Master Plan for land use and density. The community has identified this currently underutilized corner as vital for commerce in the City of Traverse City.

The redevelopment is being undertaken by Kinney Building, LLC.

Brownfield Work Plans are based on several criteria outlined in the statute. These criteria have been met.

It is anticipated that the bank will create 50 jobs and the commercial/office space will create an additional 20 jobs totaling 70 full time jobs.

The City of Traverse City unadjusted unemployment rate was 5.1% in May 2006. This compares to the statewide seasonally adjusted average of 6% in May 2006.

The site has historically been used as a gasoline service station and auto repair facility. As a result, the property is contaminated, which affects soils and groundwater. Contamination will be alleviated with the removal of the contaminated soils and the construction of the buildings.

The City of Traverse City and the Downtown Development Authority have committed approximately \$300,000 for water and sewer infrastructure related to this project. On May 26, 2006 the MDEQ approved a work plan for the initial due care activities totaling \$81,400. The developer will seek further reimbursement from the MDEQ, with total environmental activities estimated at over \$1 million. The developer may also seek a Brownfield redevelopment SBT credit for this project.

There are 26.9589 mills available for capture with school millage equaling 24 mills (89%) and local millage equaling 2.9589 (11%). The project is located within the DDA so all local millage other than the intermediate school district is captured by the DDA. The tax capture is as follows:

School Tax Capture (89%)	\$296,851
Local Tax Capture (11%)	+ 36,690
Total	<u>\$333,541</u>

PROJECT COSTS:

Demolition	\$ 75,000
Site Preparation	17,250
Infrastructure Improvements	192,786
Asbestos Removal	+ 5,000
Sub-total	<u>\$290,036</u>
Contingency (15%)	+ 43,505
Total	<u>\$333,541</u>

The project is located within the City of Traverse City, a qualified local governmental unit, and has been deemed a facility. The property is the subject of a brownfield plan approved by the Grand Traverse County Board of Commissioners on March 29, 2006 and by the City of Traverse City on March 20, 2006.

Recommendation

The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$333,541 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$296,851.

Board Discussion

Bo Garcia gave the Executive Committee report. The committee recommended support of the requested school tax capture.

Hearing no further discussion, a motion was made and supported and Resolution 2006-48, authorizing the Grand Traverse County Brownfield Redevelopment Authority to capture school operating taxes for the Kinney Building redevelopment project, was adopted.

ACTION ITEM

*Gentex Corporation
600 North Centennial Street
Zeeland, Michigan 49464*

Karen Ammarman discussed this company's request for an amendment to its anniversary date. In November of 2002, the MEGA board approved a tax credit for Gentex Corporation to construct, equip and operate a facility to manufacture electrochromic mirrors and other parts for the automobile industry in the City of Zeeland. In its MEGA Agreement, Gentex Corporation committed to maintaining its base employment level of 1,819 and to creating at least 75 new jobs by May 31, 2006.

Gentex Corporation was unable to create the minimum 75 qualified new jobs as required under the terms of the agreement. The primary cause of the delay was the extended process to obtain approval for the closure of Centennial Drive and its conversion to a cul-de-sac. The company has since received all necessary approvals and anticipates a June 2, 2006 occupancy for the facility, with production beginning on approximately September 1, 2006. The company has maintained its base employment level of 1,819 and is optimistic that it will be able to create the 75 qualified new jobs by December 31, 2006.

Although the company anticipates meeting the MEGA criteria by December 31, 2006, staff is recommending a twelve month extension of its anniversary date, to May 31, 2007, to allow for any other unforeseen complications that may arise.

Recommendation

Staff recommends that the MEGA board extend Gentex Corporation's anniversary date by twelve months to May 31, 2007. The original schedule of the tax years in which the company is eligible for the credit will remain the same. Should the company meet the eligibility criteria by December 31, 2006, it will be eligible to begin taking its credit with its 2006 tax year. If it does not qualify until 2007, it will lose a year of its credit.

Board Discussion

Bo Garcia gave the Executive Committee report. The committee recommended support of the requested anniversary date extension.

Hearing no further discussion, a motion was made and supported and Resolution 2006-49, authorizing an extension of Gentex Corporation's anniversary date by twelve months to May 31, 2007, was adopted.

ACTION ITEM

1001 Woodward Office, LLC and 1001 Woodward Parking, LLC
30078 Schoenherr, Suite 300
Warren, Michigan 48088

Peter Anastor presented this request for amendment. The MEGA board approved a Brownfield redevelopment SBT credit for this project on November 16, 2004. The applicants are now requesting that the project be amended to a multi-phase project. At the time of the original application, multi-phase projects were limited to commercial and industrial projects. With recent changes to the SBT Act (PA 112 of 2006) this project would now qualify as a multi-phase project.

The original project, which will not change, included the demolition of several vacant buildings, which were replaced with a multi-level 650 space parking structure, including 18,000 square feet of commercial space and the planned renovation of the 1001 Woodward building, including commercial, office and high-end residential condominiums on the 13th to 21st floors. Total investment was estimated at \$38.5 million for the original project.

The amended project would include all aspects of the original project, however the parking structure would be phase I and the renovation of the 1001 Woodward building would constitute phase II. Total investment has increased to \$48.3 million, however the value of the tax credits will not increase from the \$3,854,282 previously approved.

Eligible investment to be undertaken by Woodward Parking, LLC (Phase I):

New Construction \$ 23,974,482

Eligible investment to be undertaken by Woodward Office, LLC (Phase II):

Restoration, Alteration, Renovation, and Improvement of Buildings	\$ 24,310,000
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TOTAL INVESTMENT: \$ 48,248,482

Recommendation

The MEDC recommends approval of the amendment requesting a multi-phase designation for this project while maintaining the MEGA Brownfield Redevelopment SBT Credit of 10% of the eligible investment not to exceed a \$3,854,282 credit.

Board Discussion

Bo Garcia, on behalf of the Executive Committee, which has evaluated the request for amendment, recommended its approval.

Hearing no further discussion, a motion was made and supported and Resolution 2006-50, authorizing an amendment to convert the 1001 Woodward redevelopment project to a multi-phase project, was adopted.

The meeting was adjourned at 11:00 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

Robert J. Kleine
State Treasurer

April 12, 2006

Michigan Economic Growth Authority
300 North Washington Square
Lansing, MI 48913

To Whom It May Concern:

I hereby designate Scott Schrager, Special Assistant to State Treasurer to represent me at meetings of the Michigan Economic Growth Authority Boards, which I am unable to attend.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Kleine".

Robert J. Kleine
State Treasurer

C: Scott Schrager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

NNIFER M. GRANHOLM
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

March 10, 2006

Ms. Karen Ammarman
Michigan Economic Growth Authority Board
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913

Dear Ms. Ammarman:

As of March 3, 2006, I am appointing Jacqueline G. Shinn, Acting Chief Deputy Director, to attend and act on my behalf at the Michigan Economic Growth Authority Board meetings as an alternate representative.

In the case when Ms. Shinn is unable to attend a particular board meeting due to scheduling conflicts. I am appointing Michael Kapp, Acting Administrator, Transportation Economic Development and Enhancement, as my alternate representative to attend and act on my behalf.

If you have any question regarding these appointments, please call me at 373-0718.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kirk T. Steudle".

Kirk T. Steudle, P.E.
Director