

**MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD**  
**July 21, 2009**

**ADOPTED MEETING MINUTES**

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, July 21, 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); Baldomero Garcia; Tim Herman; Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached); Greg Main; Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached)

**MEMBERS ABSENT:** Cullen DuBose

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

**APPROVAL OF MINUTES:** Mr. Main asked for a motion to approve the June 16, 25, and 26, 2009 meeting minutes. **Mr. Buckler motioned approval of the minutes. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent

**PUBLIC COMMENT:**

Mr. Main asked if there was any other public comment. There was none.

**PROPOSED HIGH-TECHNOLOGY/HIGH WAGE MEGA CREDIT:**

**Resolution 2009-118: Whitehall Township – Silver Creek New Energy Development, Erdman Holdings, LLC**

*William Kratz, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Ken Lahey, CFO, Silver Creek New Energy Development; Tim Ryan, Chairman, Whitehall Twp. Brownfield Redevelopment Authority; Dennis Babcock, Township Supervisor, Whitehall Township; Ed Garner, President & CEO, Muskegon Area First; and Mac McClelland, Otwell Mawby, PC*

Mr. Lahey thanked the MEDC Board Members and the MEDC staff for their efforts to move the project forward. Mr. Lahey spoke about the organization primarily being a tool and die company for jet engine blades but is now diversifying into the alternative energy market. He talked about the plan to convert an old waste water treatment plant in Muskegon into an alternative energy facility—taking algae, agricultural waste and producing agriculture and cellulosic ethanol. Mr. Lahey talked about how the waste water plant needed to be cleaned up before it could be used for the project. Mr. Babcock thanked the MEDC and spoke on behalf of Whitehall Township saying that the project was great for the U.S. and the township was one hundred percent behind the project.

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

This project will create 150 new jobs and have an investment of \$13.3 million. The Michigan Department of Environmental Quality (MDEQ) has offered this project a \$999,700 loan under the Clean Michigan Initiative. In addition, the MDEQ will allow this loan to be repaid utilizing tax increment financing (TIF) revenues. This Local Only TIF benefit to the development is valued at \$377,500.

**Recommendation:** MEDC staff recommends approval of local and school tax capture for the eligible activities totaling \$491,767. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$288,388.

**Board Discussion:** Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-118. Mr. Buckler seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

#### **PROPOSED STANDARD MEGA CREDITS:**

##### **Resolution 2009-119: Magna Seating of America, Inc.**

*Camille Walker, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Frank W. Ervin, Manager Governmental Affairs, Magna Seating; Ian Axworthy, Assistant General Manager, Magna Seating; Hubert Yopp, Mayor, City of Highland Park; Yvette Robinson, Director, City of Highland Park Community & Economic Development; and Jim Paquet, Wayne County Economic Development*

Mr. Axworthy spoke about the company, founded in 1957, now a global presence with 326 facilities, 25 of which are located in Michigan. Mr. Axworthy talked about their purpose to design, test, and validate the full body, seating, and chassis for vehicles including the new electrified and hybrid vehicles. Mr. Axworthy stated that Magna had considered various options but incentives offered by Michigan swayed the business case to stay in Michigan. He thanked the MEDC staff, Wayne County, and Highland Park for their efforts. Mr. Ervin thanked the MEDC for their assistance. Mr. Yopp spoke about the City's great support for the project saying it's been a real pleasure and that the project will be supported with a PA 328. Mr. Paquet stated that without these MEGA credits this project would not be possible.

*Josh Hundt, MEDC Project Specialist, provided additional information on the project.*

The potential project will result in the creation of 420 new jobs over the next five years paying an average weekly wage of \$579 and would include capital investment of approximately \$18 million. The company will also offer healthcare benefits and pay a portion of the benefit costs.

**Recommendation:** MEDC staff recommends a 100 percent standard employment tax credit for seven years, for up to 420 new jobs, in addition to the statewide employment base of 322.

**Board Discussion:** Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. *Ms. Shinn spoke about this being great news for Michigan and asked how soon could they start producing. Mr. Axworthy answered that May, 2010 is the scheduled launch.* Mr. Main stated that this project shows that you can make a positive impact in an urban area. **Ms. Shinn made a motion for approval of Resolution 2009-119. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

#### **PROPOSED HIGH-TECHNOLOGY MEGA CREDITS:**

##### **Resolution 2009-120: Attwood Corporation (Amendment)**

*Karen Hinkle, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Chris Drees, President, Attwood Corporation; Pete Zimmer, Vice President, Attwood Corporation; David Pasquale, City Manager, City of Lowell; and Sue Jackson, The Right Place*

Mr. Drees stated his appreciation for the MEDC, the MEGA Board, the City of Lowell and Dave Pasquale. Mr. Drees talked about making electric motors for the marine industry and went on to say that the company feels lucky to consolidate in Michigan and exit the economic downturn much stronger. Mr. Drees stated that consolidation was closing an Oklahoma facility and moving that work to Michigan. Mr. Pasquale spoke of the City's support for the project that will make their community stronger and stated that approval of local tax abatement was expected in early August. Ms. Jackson stated she was happy to be in front of the Board again and appreciates their support of the project.

*Josh Hundt provided additional information on the project.*

The project will create 51 jobs in the City of Lowell over the next five years and an additional investment of \$2 million.

**Recommendation:** MEDC staff recommends amending the 80 percent high-technology employment tax credit for seven years approved last July increasing the qualified new jobs from 50 to 101, over the company's established employment base of 114.

**Board Discussion:** Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-120. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

**Resolution 2009-121: AVL Powertrain Engineering, Inc.**

*Larry Gormezano, MEDC Manager, Southwest Michigan Office, provided background information for this action and introduced guest presenters; Chester Ricker, Secretary & Treasurer, AVL Powertrain Engineering; and Elizabeth Parkinson, Ann Arbor SPARK*

Mr. Ricker thanked the MEGA Board and local partners for their hard work and support. Mr. Ricker then spoke about the company's origin as a product of the Marshall plan in 1948. Mr. Ricker talked about opportunities offshore, in California, or Michigan and that a decision for an Arbor facility would help fill the gap between producers and suppliers because of the supplier/manufacturing base already in existence. Mr. Ricker thanked the MEDC and Ann Arbor SPARK. Ms. Parkinson thanked the MEGA Board and the MEDC for their hard work.

*Phil Santer provided additional information on the project.*

AVL Powertrain Engineering, Inc will invest approximately \$2.6 million and create 40 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$1,250.

**Recommendation:** MEDC staff recommends an 80 percent high-technology employment tax credit for 5 years for up to 40 net new employees in excess of the company's established base of 377.

**Board Discussion:** Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-121. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent. Mr. Main stated that this project fits nicely into the overall strategy for manufacturing in Michigan and then congratulated AVL.

**Resolution 2009-122: Molded Materials, Inc. (MMI)**

*Kathleen White, MEDC Industry Business Development Manager provided background information for this action and introduced guest presenters; Tom Elkington, COO, Molded Materials; and Elizabeth Parkinson, Ann Arbor SPARK*

Mr. Elkington spoke about being in Michigan for 40 years with a focus on advanced materials. Mr. Elkington talked about investing in new equipment and said that thanks to the MEDC, the company is involved in advanced alternative energy and defense. Mr. Elkington stated his appreciation for the MEGA Board and the MEDC. Ms. Parkinson stated she was before the Board on behalf of Ann Arbor SPARK and the City of Saline. Ms. Parkinson said her hope was Molded Materials would be a diversification success story moving into a vacant facility.

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

MMI will invest approximately \$2.9 million and create 29 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$1,047.

**Recommendation:** MEDC staff recommends a 100 percent high-technology employment tax credit for 7 years for up to 29 net new employees in excess of the company's established base of 45, subject to the following: The company must make a minimum capital investment of \$1,000,000 in order to activate the credit. The company will only be allowed to take the credit for the Qualified New Jobs that are working on diversification.

**Board Discussion:** Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Technology MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2009-122. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

### **PROPOSED RETENTION MEGA CREDITS:**

#### **Resolution 2009-123: Ventra Ionia Main, LLC**

*Penny Launstein, MEDC Site Selection and Special Projects Manager provided background information for this action and introduced guest presenters; Bill Bestline, Vice President of Procurement, Flex-N-Gate; Dave Ekblad, CFO, Flex-N-Gate; Jason Eppler, City Manager, City of Ionia; Wayne Copeland, President, Village of Fowlerville; Richard Root, Mayor, City of Kentwood; Rep. Brian Calley, Michigan State Representative, District 87; and Fred Dillingham, Livingston County EDC*

Mr. Bestline thanked communities of Fowlerville and Kentwood for their hard work and support. Mr. Bestline stated that Flex-N-Gate was 100% dedicated to the auto industry with a focus in sequencing work. Mr. Bestline spoke positively about a new order they had received from Chrysler and the new work it provides. Mayor Root stated that Kentwood is in support of this project. Mr. Eppler talked about how Ventra is now the largest private employer in Ionia. Mr. Dillingham spoke about the Livingston EDC's excellent relationship with Ventra. Mr. Dillingham thanked the MEGA Board and the MEDC and said without a prior CDBG project, infrastructure improvement; this project would not have been possible. Rep. Calley spoke about this project being very important to his area since Flex-N-Gate is such a huge partner to his community which is in full support of the Flex-N-Gate project.

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

Ms. Deprez stated that in 2003 Flex N Gate purchased Ventra Group, consisting of 22 facilities located in North America, South America, and Europe. The retention project will require a capital investment of \$42 million and will allow for the retention of 934 employees, paying an average weekly wage of \$563.

**Recommendation:** MEDC staff recommends a 50 percent retention employment tax credit for six years for the 934 retained employees at the four locations in Ionia, Fowlerville and Grand Rapids, subject to the following: The company agrees to the following two employment thresholds for the duration of the MEGA tax credit. If the thresholds are not met for a particular year, the credit will be forfeited for that tax year: A minimum of 733 employees will be retained and maintained at any combination of the following locations, as identified in the final application. A minimum of 600 employees will be retained and maintained at any combination of the following four entities: Ventra Fowlerville, LLC; Ventra Ionia Main, LLC; Ventra Grand Rapids 5, LLC; and Ventra Grand Rapids 29, LLC.

**Board Discussion:** *Mr. Main pointed out that this project affected multiple communities and required the cooperation of multiple communities. Ms. Shinn spoke about how the tools at the MEDC were used to take a bad situation and turn it into a growth opportunity.* Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. *Mr. Buckler stated this is great having three automotive projects before the Board, and shows that there are still successes in the auto industry. Mr. Buckler spoke about how the MEGA programs are clearly helping suppliers and then appealed to Rep. Calley asking him for help to continue the MEGA program.* **Mr. Buckler made a motion for approval of**

**Resolution 2009-123. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

**PROPOSED STANDARD AND RETENTION MEGA CREDITS:**

**Resolution 2009-124: Continental Automotive Systems Holding US, Inc.**

*Bruce Seymore, MEDC Business Development Manager, provided background information for this action and introduced guest presenters; Gary F. Carl, Director Facilities and Services, Continental Auto; Grant Williams, Attorney, Miller, Canfield, Paddock and Stone, PLC; Pete Auger, City Manager, City of Auburn Hills; and Laurie Johnson, Economic Development Coordinator, City of Auburn Hills*

Mr. Carl talked about having seven centers at one time and how they are consolidating down to two or three centers with a new investment of \$25 million. Mr. Carl thanked the MEGA Board, the MEDC, and the City of Auburn Hills for their hard work to make this project possible. Ms. Johnson spoke about her appreciation of Continental for wanting to stay [in Auburn Hills, MI] and grow.

*Josh Hundt provided additional information on the project.*

Continental Automotive Systems will invest approximately \$26.9 million and create 230 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$1,692. The company will also retain 225 jobs in the State of Michigan as a result of this project. The average weekly wage of the retained jobs is \$1,692.

**Recommendation:** MEDC staff recommends up to a 100 percent retention employment tax credit for 10 years for the 225 retained employees in Auburn Hills and Dearborn facilities and a 100 percent standard employment tax credit for up to 230 net new employees in excess of the company's established statewide employment threshold of 1,227.

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

**Lockwood made a motion for approval of Resolution 2009-124. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

**Resolution 2009-125: Quicken Loans, Inc.**

*Larry Gormezano provided background information for this action and introduced guest presenters; David Carroll, VP Administration, Quicken Loans; and Brian Holdiwick, VP of Business & Financial Services Detroit Economic Growth Corporation*

Mr. Carroll thanked the MEGA Board and the MEDC for their commitment to the project. Mr. Carroll spoke about being part of Michigan since 1995 and talked about Quicken Loans being 2<sup>nd</sup> only to Google for best places to work. Mr. Carroll stated his belief that this was a great move for Detroit. Mr. Carroll thanked Larry Gormezano and Amy Deprez for their hard work on the project. Mr. Holdiwick thanked Larry Gormezano and talked about the DEGC's commitment to downtown Detroit and young urban workers.

*Amy Deprez provided additional information on the project.*

The total capital investment anticipated for this project over a seven-year period is approximately \$240 million. Additionally, the consolidated operations will result in the retention of 2,200 employees, paying an average weekly wage of \$916 and the creation of an additional 1,800 jobs, paying an average weekly wage of \$853, over the next seven years.

**Recommendation:** MEDC staff recommends a 50 percent retention employment tax credit for 12 years for the 2,200 retained employees and a 50 percent new jobs employment tax credit for 12 years for up to 1,800 net new employees in excess of the company's established statewide employment threshold of 2,272, subject to: the company must relocate a minimum of 1,000 employees to the new Detroit site to activate the incentives. To receive credit on qualified new jobs for years 7-12, the jobs must be located at the headquarter site in the City of Detroit, jobs located at facilities outside of the Detroit consolidated headquarters will not count after year six.

**Board Discussion:** Ms. Shinn spoke about the development of light rail to service the Woodward corridor, and how a “vibrant and viable” light rail public transit from downtown Detroit to Ann Arbor would improve the quality of life for all of Detroit. Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Lockwood made a motion for approval of Resolution 2009-125. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

### **PROPOSED MEGA AMENDMENTS:**

#### **Resolution 2009-126: Federal Mogul Corporation**

*Karla Campbell, MEDC MEGA Program Manager, provided background information for this action and introduced guest presenters; Irv Morse, State and Local Tax Manager, Federal Mogul; Brian Thrush, Greenville Plant Manager; and Rep. Mike Huckleberry, Michigan State Representative, District 70.*

Mr. Thrush spoke about being an auto bearing producer which is no longer laying employees off but is bringing 10 back with the plan to bring another 10 back further down the production process. Mr. Thrush talked about being a global facility which is picking up work for sister facilities throughout the world. He stated that the facility has lost \$13.5 million over the last 2.5 years and the MEGA credit is a key lifeline. Mr. Thrush said that the credit will sustain the company. Mr. Thrush stated that at one time they had 400 employees and now that number is down to 150. Representative Huckleberry said he was a business owner in the area and then read from a written statement:

*Good morning. I'm Rep. Mike Huckleberry from the 70<sup>th</sup> State House District—one of Michigan's hardest-hit JOBS! loss areas. MEDC and MEGA Grants have proven to be a sound method to promote public-private industry growth and JOBS! for Michigan. I'm proud to enjoy a good working relationship with MEDC and I encourage your efforts. Today, the MEGA Board is faced with granting its FIRST EVER ROLLBACK on pledged employment numbers for a MEGA Grant. If you grant this, surely MANY other requests will follow. To that end, I'm going to propose an amendment to this agreement before you this morning. I'm here today to urge MEDC, the MEGA Board, Federal Mogul and its employees to continue working together to grow jobs at the Greenville plant. With a collaborative approach, we can bring this auto supplying facility to full employment and profitability by 2010 or 2011. Workers at the Greenville plant have given back to help their company and their community. The company tells us it wants to keep the plant viable—in fact—grow it. Montcalm and Ionia Counties have suffered enough job losses these past five years. **And 70 more JOBS cuts now is 71 too many.** We all recognize that the auto industry economy has worsened since this grant was awarded in December, 2004. I urge Federal-Mogul and its union locals and non-union employees to re-double your efforts by recognizing concessions already made and exploring avenues to restoring full production and profitability. I ask the company, its employees and economic development officials to work together without recriminations or retaliations because of this process. I also urge MEDC and the MEGA Board not to give up helping after acting today. If these JOBS cuts are granted today, I hope we will see the affected workers offered transfers, priority callbacks—or re-training and assistance if not. I'm asking now for an important amendment to your proposed resolution. I ask that you add JUST one word—“publicly”—to Paragraph 8 (between the words “may” and “notify”) so there is NO mistaking that the entire community looks forward to and needs restored employment levels at Federal-Mogul's Greenville plant. Meanwhile let's all work together to grow JOBS! in Michigan, Greenville, Montcalm and Ionia. Thank you. –“Huck”*

*Karla Campbell provided additional information about the action.*

Ms. Campbell spoke about Federal Mogul who on December 14, 2004, received a MEGA Retention Credit for 20 years beginning in 2005. The credit was based on the retention of at least 3 of the 5 of the companies' facilities in Michigan as follows: Southfield Headquarters must

retain 540, Ann Arbor/Plymouth Research & Development Facilities must retain 250, Greenville must retain 220, Sparta must retain 150, and St. Johns must retain 220. Because the St. Johns facility closed, and Sparta's employment numbers are too low to qualify in the collection of the credit, the company would like Greenville to be reduced from 220 to 150 because of the downturn in the auto industry. If the employment number is not reduced, the company would not be able to collect on the credit as they would not meet the thresholds for 3 of the 5 facilities.

**Recommendation:** MEDC staff recommends the following amendments to the MEGA tax credit: temporarily reduce the Greenville facility threshold from 220 to 150 for tax years 2009 and 2010; provide the company with the option of reducing the 2011 tax year from 220 to 150 if needed; reduce the MEGA agreement term from 20 years to 18 or 17 years depending on the length of the reduced Greenville threshold; company will work with the consultant to address findings in the consultant's report. All other provisions of the resolution and agreement will remain the same.

**Board Discussion:** *Ms. Shinn spoke about in her years of serving on the Board she has never seen an action like this but stated that although she's discouraged to see this, understands these are extraordinary times and added that the staff is capable of setting criteria with good judgment. Mr. Buckler said that they need to help out Michigan, especially in the worst economic times in 80 years, to keep 150 jobs is a no brainer.* Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendment and recommends approval. There was some discussion regarding Representative Huckleberry's requested amendment to the resolution. Mr. Main indicated he thought the requested information would be subject to FOIA. The company representative indicated they had no problem with the requested amendment to the resolution, i.e. to add the word "publicly" in the first BE IT FURTHER RESOLVED, paragraph so that paragraph would read " BE IT FURTHER RESOLVED, prior to December 31, 2010, the Company may publicly notify MEGA that it wishes to exercise the option to temporarily reduce the minimum number of Qualified Retained Jobs at the Greenville manufacturing facility from 220 to 150 for the tax year ending December 31, 2011, with the understanding that this will result in the company's credit period being reduced to a total of seventeen years." Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-126** as amended. **Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

#### **Resolution 2009-127: Martinrea Jonesville, LLC**

*Karla Campbell provided background information for this action.*

Ms. Campbell talked about Martinrea Industries, Inc., which received a combination Standard and Retention MEGA Credit at the May 19, 2009, MEGA Board meeting. At that time, the name on the company's application was Martinrea Industries, Inc. The company is requesting that the name be changed to Martinrea Jonesville LLC, and the EIN will also change to match that company name.

**Recommendation:** MEDC staff recommends that the MEGA Standard and Retention Credit be amended to reflect the appropriate name of Martinrea Jonesville LLC, along with the corresponding EIN, and that all other aspects of the MEGA credit remain the same as approved on May 19, 2009.

**Board Discussion:** Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Shinn made a motion for approval of Resolution 2009-127. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

#### **Resolution 2009-128: ProQuest, LLC**

*Marcia Gebarowski, MEDC Project Specialist, provided background information for this action.*

Ms. Gebarowski talked about ProQuest LLC which received a High-Tech MEGA tax credit for the creation of up to 303 qualified new jobs over five years paying an average weekly wage of \$1,747. Currently, the company is unable to qualify all of the new jobs in 2008 for their MEGA credit due to new hires being paid lower wages than was predicted in their application. The company has stated that business conditions have changed resulting in higher demand for customer service, inside sales and technical support staff versus highly-paid managerial and professional staff.

**Recommendation:** MEDC staff recommends an amendment to the current MEGA Tax Credit for ProQuest lowering the average weekly wage from \$1,747 to \$1,287 for 303 qualified new jobs at their specified project site.. This recommendation allows the company to fully utilize their existing MEGA Tax Credit for 303 qualified new jobs and does not add the new project location to their credit for the 35 new jobs. This amendment is contingent on the following: In addition to the reporting required under the existing MEGA Tax Credit Agreement, the company is required to report the quarterly head count at its new facility in Ypsilanti Township when submitting their tax credit certificate application for their MEGA. The company must maintain an average of 35 jobs at the Ypsilanti location after Jan. 1, 2010, in order to utilize the average weekly wage of \$1,287. An initial capital investment of \$4 million must occur at the facility in Ypsilanti Township prior to the amendment taking effect. If the company fails to maintain 35 full-time jobs at the new facility in Ypsilanti Township, this resolution and all its effects will be void and the original terms of the agreement will be enforced and the average weekly wage will be \$1,747. Enforcement will be effective in the tax year in which the new facility headcount falls below 35 full-time jobs.

**Board Discussion:** *Mr. Main asked if the Board understood what the request was. Mr. Main paraphrased the action saying that the 35 new jobs will trigger a reduction in the average weekly wage. Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, Mr. Lockwood made a motion for approval of Resolution 2009-128. Mr. Garcia seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.*

#### **PROPOSED BROWNFIELD WORK PLAN AMENDMENTS:**

##### **Resolution 2009-129: JNCC, LLC – Shamrock Village**

*Peter Anastor provided background information for this action and introduced guest presenters; Steve Willobee, SME; Patrick Sharrak, JONNA Companies; Chistine Jonna Piligian, JONNA Companies; and Tracey Schultz Kobylarz, Supervisor, Redford Township*

Mr. Willobee thanked the MEGA Board for allowing the project to come back to the Board. Ms. Kobylarz stated it was a privilege to be in front of the MEGA Board. Ms. Kobylarz spoke about Redford Township having done everything they possibly can. Mr. Anastor spoke about project making changes and the MEGA Board's approval was necessary because the tax capture change in ratio was more than 5%.

**Recommendation:** MEDC staff recommends an amendment of the local of local and school tax capture breakdown for the eligible activities totaling \$10,350,970 described above. Utilizing the current state to local capture ratio, the amended amount of school tax capture for this project is estimated at \$3,446,525. In addition, the project has to meet the following thresholds detailed below. If the thresholds detailed below are not met, interest will no longer be available for capture on the first and second bonds. Year end 2011 –27 units are constructed and at least 5 of the units are single family homes; Year end 2013 - 139 units are constructed and 25 of the units are single family homes and; Year end 2015 – 258 units are constructed and at least 75 of the units are single family homes.

**Board Discussion:** *Ms. Shinn spoke about the generosity that the MEDC is showing by giving a time buffer until 2011. Ms. Shinn said that 2011 is very generous and that the company needs to get moving. She indicated that she would reluctantly support the resolution since she had*



*thought the project would move forward since 2005.* Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credit and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-129. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

**DISCUSSION:**

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

**ADJOURNMENT:** The meeting was adjourned by Greg Main at 11:32 a.m.