

**MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
AUGUST 16, 2011**

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, August 16, 2011, at the Michigan Economic Development Corporation, Lake Michigan Conference Room, 300 North Washington Square, Lansing, Michigan.

MEMBERS PRESENT: Ruth Duquette [acting for and on behalf of John Nixon, authorization attached], Michael Finney, Tim Herman, Andrew Lockwood [acting for and on behalf of Andy Dillon, authorization attached].

MEMBERS ABSENT: Cullen DuBose, Mike Jackson, Bill Martin

CALL TO ORDER: Mr. Finney called the meeting to order at 10:05 a.m.

APPROVAL OF MINUTES: Mr. Finney asked for a motion to approve the July 19, 2011 meeting minutes. **Mr. Herman made a motion for approval of the minutes. Ms. Duquette seconded the motion.** The motion carried – 4 ayes; 0 nays; 3 absent.

PUBLIC COMMENT: Mr. Finney asked if there was any public comment. There was none.

EXECUTIVE COMMITTEE REPORT: Mr. Finney asked Mr. Lockwood if the Executive Committee had reviewed the projects on the agenda. Mr. Lockwood replied affirmatively that the Executive committee recommended approval of the agenda items to be presented to the Board.

PROPOSED STANDARD MEGA CREDIT AND STANDARD MEGA CREDIT AMENDMENT

Resolution 2011-103 – Gentex Corporation – Standard MEGA Credit

Resolution 2011-104 – Gentex Corporation – Standard MEGA Credit Amendment

Ken Murdoch, Grant Specialist, and Bill Kratz, Business Development Manager, provided background information and introduced the guest presenters: Steve Dykman, Vice President Finance, Gentex Corporation; Bruce Los, Vice President Human Resources, Gentex Corporation; Les Hoogland, Mayor of the City of Zeeland; Randy Thelen, President, Lakeshore Advantage.

Mr. Kratz introduced members of the Gentex Project team. Mr. Dykman thanked the MEGA Board and MEDC staff for providing assistance with this project which consists of expansion in Holland Township and the City of Zeeland. The company has experienced significant growth and anticipates continued growth in the future resulting from the strong demand for its products. Mayor Hoogland stated that the City of Zeeland is supportive of the PA 198 property tax abatement. Mr. Los added that the company currently has 2,756 employees in Michigan and anticipates approximately 300 new jobs within the first year after approval of their request. Randy Thelen thanked the Board for their consideration of this project and advised them there had been tremendous growth within the company since the approval of their 2002 MEGA Credit.

Recommendation: Mr. Murdoch stated the MEDC recommends approval of the project with a 100% standard employment tax credit for three years and amendment to the existing MEGA approved on November 19, 2002 and further amended July 19, 2006 to include all Gentex facilities in the City of Zeeland and Holland Charter Township.

Board Discussion: Ms. Campbell stated that the project is contingent upon approval from the City of Zeeland and Holland Charter Township for a 12 year P.A. 198 property abatement. Mr. Finney asked if there were any questions from the Board regarding the Standard MEGA credit. **Mr. Herman motioned approval of Resolution 2011-103. Ms. Duquette seconded the motion.** The motion carried – 4 ayes; 0 nays; 3 absent. Mr. Finney asked if there were any questions from the Board regarding the amendment of the MEGA credit issued in 2002. **Mr. Lockwood motioned approval of Resolution 2011-104. Mr. Herman seconded the motion.** The motion carried – 4 ayes; 0 nays; 3 absent.

PROPOSED BROWNFIELD WORK PLAN

Resolution 2011-105 – City of Trenton Brownfield Redevelopment Authority – Riverside Commons Redevelopment Project

Stacy Esbrook, Program Specialist – Brownfield, provided background information and introduced the guest presenters: Iqbal A. Nasir, M.D., Managing Member, Naba Management, LLC (Developer); Robert E. Cady, City Administrator, City of Trenton; Joseph M. Voszatka, President, SMOOTH Development, LLC.

Ms. Esbrook advised the Board the City of Trenton Brownfield Redevelopment Authority had submitted an Act 381 Work Plan request for the approval of local and school tax capture for MEGA eligible activities. Dr. Nasir provided a description of the project which will redevelop a vacant hospital and medical office complex on approximately 9.68 acres of property in the City of Trenton. The project includes redeveloping and renovating a three-story medical office building. Demolition of a former residential structure and boiler house is included in the scope of work. Mr. Cady expressed the city's excitement of the prospect of revitalizing their downtown.

Ms. Esbrook provided additional information.

The project is located within the boundaries of the City of Trenton, which is a Qualified Local Governmental Unit, and the property has been deemed blighted by the Trenton City Council. Approximately 163 permanent full-time equivalent jobs are anticipated and the total capital investment will be approximately \$12 million.

Recommendation: Staff recommends the approval of local and school tax capture for the MEGA eligible activities.

Board Discussion: Ms. Campbell stated there are no contingencies for this project. Mr. Finney asked if there were any questions from the Board. **Mr. Lockwood motioned approval of Resolution 2011-105. Mr. Herman seconded the motion.** The motion carried – 4 ayes; 0 nays; 3 absent.

PROPOSED BROWNFIELD WORK PLAN AMENDMENTS

Resolution 2011-106 – Lansing Brownfield Redevelopment Authority – East Village Housing Project

Stacy Esbrook, Program Specialist – Brownfield, provided background information and introduced the guest presenters: James E. Sanderson, President, East Village Holdings, LLC; Thomas M. Larabel, P.E., Engineering Manager, Allen Edwin Homes; and Karl Dorshimer, Vice President, Lansing EDC.

Ms. Esbrook stated the City of Lansing Brownfield Redevelopment Authority had submitted an Act 381 Work Plan Amendment request for the approval of additional local and school tax capture for MEGA eligible activities. Mr. Dorshimer provided the Board with background information on the project. The project was originally approved on July 15, 2003. Unfortunately the original developer fell behind schedule in 2008 and defaulted on the bank loan used to fund the project. Only 67 housing units and partial public infrastructure had been completed. Allen Edwin Homes purchased a portion of the

development to revamp and complete the project. Mr. Sanderson further explained that the new housing plans call for fewer multiple-family buildings and an increase in the number of single-family detached homes. Allen Edwin Homes will complete additional eligible site preparation and public infrastructure improvements.

Ms. Esbrook provided additional information.

The amendment request is for the local and school tax capture of the new, non-environmental MEGA eligible activities.

Recommendation: Staff recommends approval of increasing local and school tax capture for the MEGA Eligible activities.

Board Discussion: Ms. Campbell stated there are no contingencies for this project. Mr. Finney asked if there were any questions from the Board. **Mr. Lockwood motioned approval of Resolution 2011-106. Ms. Duquette seconded the motion.** The motion carried – 4 ayes; 0 nays; 3 nays.

Resolution 2011-107 – Grand Traverse County Brownfield Redevelopment Authority – Boardman Lake Avenue pathway and Trail System Project

Dan Wells, Program Specialist – Brownfield, provided background information and introduced guest speakers: Russ Soyring, City Planner, City of Traverse City; Jean Derenzy, Deputy Director, Grand Traverse County Planning & Development; Julie Clark, Executive Direct, TART Trails; Eric Helzer, Project Manager, AKT Peerless Environmental & Energy Services.

Ms. Derenzy explained to the Board that the design and construction costs were initially estimated in 2000 based on eligible activities including demolition, infrastructure improvements, site preparation, contingency and agency review costs. Since then, the concept of the road has changed and the costs related to the planned road improvements have been updated. Mr. Soyring further explained the long-term plans of the project include extending the historic neighborhood to the lake and developing a mixed-use neighborhood. Ms. Clark added the overall scope of the project has been expanded to include an approximately 1.8 mile long, ten foot wide, non-motorized trail that will extend along the entire western shore of Boardman Lake, which provides a transportation alternative and helps reduce auto dependence. Mr. Helzer advised the Board that since the project was approved in 2001, approximately \$11.5 million in residential investments and 2 permanent full-time jobs have been created. Approximately \$1.5 million of tax increment revenues have been collected to date.

Mr. Wells provided additional information.

Construction of West Boardman Lake Avenue is parallel to railroad lines, and increased costs include demolition and relocation of tracks in several areas. Purchase of a portion of the railroad right-of-way will be completed by the Grand Traverse County Land Bank, which will be subsequently transferred to Traverse City for public road construction and economic development purposes.

Recommendation: Staff recommends approval of increasing local and school tax capture for the MEGA eligible activities and adding the eligible activity of Assistance to the Land Bank Authority in Acquiring Property for Economic Development Purposes.

Board Discussion: Ms. Campbell advised the Board that the project contingency will require monitoring of the MEGA Eligible Activities and project updates through 2026. Mr. Finney asked if there were any questions from the Board. **Mr. Herman motioned approval of Resolution 2011-107. Mr. Lockwood seconded the motion.** The motion carried – 4 ayes; 0 nays; 3 absent.

The meeting adjourned at 10:37 a.m.