MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
AUGUST 19, 2008

ADOPTED 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 August 19, 2008.

MEMBERS PRESENT: Keith Cooley; Cullen DuBose; James Epolito; Baldomero Garcia; Faye Alexander Nelson; Scott Schrager (acting on behalf of Robert Kleine, authorization attached); Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached)

MEMBERS ABSENT: Douglas Buckler

The Honorable Governor Jennifer Granholm addressed the Board and guests prior to the meeting's call to order. The Governor thanked all of those companies being represented on the agenda for choosing Michigan. Once again, due to legislation passed creating and improving economic development tools to help attract and retain businesses in Michigan, this MEGA Board meeting has the longest agenda in the history of the Board. The projects on today's agenda, in total, allow Michigan to compete with 15 states and 2 countries. And at the end of today's meeting, the actions taken today will represent 9,500 jobs and $658 million in investment. This is not just an investment, but will help diversify Michigan's economy.

She continued by saying thank you to the economic development partners, recognizing that there are so many local people working to help make these projects a reality. She also thanked the risk takers sitting in the room, the entrepreneurs who are taking a risk by starting and growing a business and chose Michigan as the place to do that.

Finally, she announced that after lunch today, there will be a press announcement about today's meeting and the projects passed. All of the company representatives present at the meeting are invited to be a part of that press announcement so that we can applaud your efforts.

CALL TO ORDER: James Epolito called the meeting to order at 10:00 a.m. and welcomed guests. Mr. Epolito continued by informing those present that the Community Assistance Team (CATeam) will be transitioned from the Michigan State Housing Development Authority (MSHDA) to the Michigan Economic Development Corporation (MEDC) and then acknowledged the CATeam staff members present.

APPROVAL OF MINUTES: Mr. Epolito asked for a motion to approve the July 15, 2008 meeting minutes. **Mr. Garcia motioned approval of the minutes. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

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

HIGH-TECH MEGA CREDITS:

Resolution 2008-084: Aisin Technical Center of America, Inc. (ATC-A)
Jeff Sand, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Ken Masumoto, MEDC Business Development Manager; Don Whitsitt, President and Chief Executive Officer of Aisin; and Richard Reaume, Plymouth Township Supervisor.
ATC-A was created by the merger of Shinkawa Kogno and Aichi Kogno in 1965, and first established facilities in Michigan in the mid-1980s. The merged company now maintains seven related companies

here, including the newly created ATC-A. ATC-A is the sixth largest automotive supplier in the world, with annual sales in excess of $20 billion and North American sales of over $3 billion. ATC-A builds a full range of automotive parts and components. The company's product line includes drive train, body, engine, chassis and electronic components. Major customers in the Americas include Toyota, General Motors and Chrysler. The Aisin Group currently employs 694 people in Michigan.

Greg West, MEDC Portfolio Manager, provided additional information about this project. This project is an expansion of an existing facility in Plymouth that will designate ATC-A as Aisin's primary North American technical center. ATC-A will provide design and development services to North American customers, including original design of parts and components based on customer requirements, updating and revising parts based on customer requirements, developing electronic parts drawings and the testing of parts. Total investment over five years will be approximately $8.63 million. This project creates 82 new jobs with an average weekly wage of $1,272. The company will also offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-084.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for seven years, for up to 82 net new employees, subject to the following: The company must create a minimum of 82 jobs, over the employment base of 290, by the end of the fifth year of operations. Failure to create the 82 jobs by the end of year five will void the remaining two years of the tax credit.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Director Cooley asked about the spectrum of the Research & Development work to be done at this facility and whether it would cover the entire product line or just a specific product. Mr. Whitsitt clarified that it would cover the entire line, to which Director Cooley noted that this is proof that Michigan isn't losing jobs in the manufacturing industry altogether.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-084. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-085: Danotek Motion Technologies, Inc. (Danotek)

Jeff Sand introduced the guest presenters who provided background information on the company and this project: Carla Glaze, Business Manager for Danotek; and Richard Reaume, Plymouth Township Supervisor.

Danotek Motion Technologies, Inc. is a high-technology based company developing state of the art variable speed technologies for generators and electronically controlled motors with applications in power generation and advanced automotive design. Danotek has four patent-pending applications and five disclosures with regard to its permanent magnet generator and motor technology. Danotek has successfully applied its technology for wind power generation, cogeneration, automotive fuel cells, electrical vehicle specialty pumps, and the fan market. Danotek's primary focus is the wind energy and advanced automotive markets. The company was established in November 2000 to serve the transportation, energy and medical markets through development and production of innovations in advanced motor, generator, and integrated control technologies. The company is currently located in Scio Township and employs 10 associates.

Amy Deprez, MEDC Project Specialist, provided additional information about this project. Danotek plans to manufacture a variable speed Permanent Magnet (PM) generator for use with wind turbines. To accommodate this expansion, the company has identified and plans to relocate to a facility in Plymouth Township. Their current leased facility will not accommodate this expansion project and all employees will be transferred to the new location. The proposed project would create a total of 141 jobs over the next five years, paying an average weekly wage of $949 and would include a total capital investment of over $7.8 million. The company will also offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-085.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent high-technology employment tax credit for 10 years, for up to 141 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the specific type of jobs to be created, whether technical and manufacturing or engineering and how employees with that type of experience are already here in Michigan.* Being no more discussion, **Ms. Nelson made a motion for approval of Resolution 2008-085. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-086: GDI Infotech, Inc. (GDI)
Karen Lee, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Tim Robinson, Executive Director or Incubator Operations for Ann Arbor SPARK; Bhushan Kulharni, President and Chief Executive Officer, and George Levy, Executive Vice President and Chief Financial Officer, both of GDI.
GDI Infotech, Inc., located in Ann Arbor, was established in 1993. GDI is focused on addressing challenges related to information silos in organizations. Business and technology leaders know that isolated information, fractured teams and incomplete requirements lead to information silos. GDI consultants work collaboratively with clients to develop effective solutions to overcome these issues. The company is unique in its focus on busting information silos using experienced, talented teams that synergistically apply the right technologies to achieve optimal business value for its clients. Currently the company has 41 associates in Michigan.

GDI is starting a new division (Solutions Division) to offer solutions to clients in healthcare, financial, retail, education and technology sectors. The new division will develop new products and tools that will help organizations to build solid data foundations and new applications enabling the implementation of key industry-specific initiatives. The Solutions Division will be based in the company's existing facility in Ann Arbor. The company additionally plans to purchase an adjacent lot and further expand its operations in 2011 to further accommodate growth from this new division.

Ms. Deprez provided additional information about this project. The company anticipates the creation of approximately 121 new jobs by the year 2013, paying an average weekly wage of $1,186 and estimates that the total investment will be approximately $1.9 million, not including the purchase and construction of the adjacent lot. The company will also offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-086.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent high-technology employment tax credit for seven years, for up to 121 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the process created and used by this company and whether it would begin to be used in other areas of business.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-086. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-087: Ricardo, Inc. (Ricardo)
Jeff Sand introduced the guest presenters who provided background information on the company and this project: Clive Wotton, Vice President of Operations of Ricardo; Cindy King, Supervisor, and Bryce Kelley, Director of Planning, both of Van Buren Township.

Ricardo, Inc., located in Van Buren Township, is a leading provider of technology, product innovation, engineering solutions and strategic consulting to the world's automotive, transport and energy industries. With a network of advanced and well-equipped technical centers in the UK, North America, Germany and the Czech Republic, Ricardo serves a wide and balanced customer base represented by the leading global automakers, vehicle component and system manufacturers, and automotive regulatory agencies. The company also serves motorcycle, heavy duty truck, off-highway, military vehicle, marine and locomotive propulsion system manufacturers. Ricardo's principle business is in the provision of engineering services ranging from initial concept development through production part validation. The company currently employs 239 associates in Michigan.

Ricardo is planning on establishing a rolling chassis dynomometer facility and is considering its existing Van Buren Township operation for this expansion. The facility will be capable of performing all currently regulated and anticipated test cycles for all of the major emissions markets - US, European and Japanese for both gasoline and diesel fuels with the exception of altitude. Additionally, the facility will be capable of running hybrid and alternative-fuel vehicles with a focus on biofuels with FTIR analysis of additional emissions species.

Ms. Deprez provided additional information about this project. Ricardo received a MEGA in April 2008 for its Battery Test Center in Van Buren Township. This project had a base of 262 and the maximum job creation credit on 32 jobs. With this second MEGA project, we are capturing the base of 294 from the first MEGA before the company can collect on the second MEGA. *This project is described further in Resolution 2008-087.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent high-technology employment tax credit for 13 years, for up to 45 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Nelson made a motion for approval of Resolution 2008-087. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-088: Terumo Cardiovascular Systems Corporation (TCVS)
Karen Lee introduced the guest presenters who provided background information on the company and this project: Tim Robinson, Executive Director or Incubator Operations for Ann Arbor SPARK; Mark Sutter, President and Chief Executive Officer, and Mark Lincoln, Vice President of Operations, both of TCVS.
Terumo Cardiovascular Systems Corporation manufactures and markets a broad portfolio of medical products that are sold to hospitals worldwide. The products include heart/lung machines, oxygenators, cannulae, blood parameter monitors, tubing packs and vein harvesting devices. TCVS is focused primarily on products related to heart and vascular surgery. The company considers the US market, specifically the cardiovascular market that TCVS is in, to be its main area of opportunity for growth in the future. TCVS is a subsidiary of Terumo Corporation based in Tokyo, Japan. Terumo Corporation was established in 1921. TCVS, with its global headquarters in Ann Arbor, Michigan, was established in 1999 when Terumo purchased certain business units from 3M Company. TCVS currently has 304 employees in Michigan.

TCVS currently has a facility in Tustin, California and is relocating its operations to an existing TCVS site in Ann Arbor, Washtenaw County. The operations involved in the plant relocation include research and development as well as manufacturing. The R&D and manufacturing is centered on medical products, more specifically, high-technology blood parameter monitoring devices that are used during open heart surgery. The products are used in 40% of all open heart surgeries in the United States.

Mr. West provided additional information about this project. The project would necessitate a 14,000 square foot expansion of the existing facilities in Ann Arbor to accommodate the additional operations and the construction of a chemistry lab. Total investment over five years will be approximately $3.57 million. This project will create 65 new jobs with an average weekly wage of $931. The company will also offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-088.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for seven years, for up to 65 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the company's choice to move the California operations to Michigan.* Being no more discussion, **Ms. Shinn made a motion for approval of Resolution 2008-088. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-089: Testek, Inc. (Testek)
Toni Brownfield, MEDC Targeted Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Shilpa Patel, Chief Financial Officer, and Harish Patel, President and Chief Executive Officer, both of Testek; Matt Quinn, Attorney, and John Hicks, Trustee, both of Wixom Township; and Lynda Earhart, Senior Business Development Representative for Oakland County.
Testek, Inc. designs and builds custom and production test equipment for the Aerospace, Automotive, and Industrial markets. Testek's main business focus and strength is in the Aerospace market, where Testek is the leader in aircraft accessory test systems. Testek's aircraft accessory test equipment tests aircraft components such as landing gear, black boxes, flight controls, engines, power distribution, rotary propeller, and much more. Since its creation in 1969, Testek has grown its customer base both domestically and internationally.

In 1976, Testek acquired the manufacturing rights and the name of American Avitron, a major test stand supplier for the commercial airlines markets worldwide. In 1980 Cox Instruments Test Stand Group merged with Testek. Because of these strategic moves, Testek has had the capability to design, manufacture, support and service test stands since 1940, under George L. Nankervis, Cox Instruments, American Avitron and finally Testek. Testek currently has 69 employees in Michigan.

Mr. West provided additional information about this project. The proposed project includes a move of Testek's entire operations to an existing facility in Wixom, Oakland County, in order to accommodate growth and future new projects. Testek will need to make several facility improvements including the addition of several test cells, electrical upgrades, improvements to power distribution, shop floor sealant and investment in a water cooling unit, as well machinery upgrades. Total investment over five years will be approximately $5.27 million. This project will create 27 new jobs with an average weekly wage of $856. The company will also offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-089.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for 10 years, for up to 27 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the potential for high-tech jobs to be created for the surrounding community in light of some of the outsourcing being done by the company.* Being no more discussion, **Ms. Nelson made a motion for approval of Resolution 2008-089. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

STANDARD MEGA CREDITS

Resolution 2008-090: Business Intelligence Associates, Inc. (BIA)

Kathy Kleckner, MEDC Project Manager, introduced the guest presenters who provided background information on the company and this project: Brian Schrader, President of BIA; Edward Schrader, Special Consultant; and Ron Kitchens, Chief Executive Officer of Southwest Michigan First.
Business Intelligence Associates, Inc., founded in 2002, creates and implements processes for organizations to help manage the collection, transfer, and preservation of data that may be required for regulatory compliance and litigation. BIA offers critical services related to the correct methods for gathering information from globally spread enterprise IT resources without interrupting business. BIA then catalogs that information for preservation and certified use as digital evidence for internal investigations, compliance, and litigation. BIA currently does not have any operations in Michigan.

The proposed project will bring legal document review services, back office functions (including human resources and accounting), data housing services, computer forensic services, data process services, and software engineering jobs to a new location for the company in downtown Kalamazoo, MI.

Joshua Hundt, MEDC Project Specialist, provided additional information on this project. This project will result in the creation of 82 new jobs in year one and 251 new jobs over the next five years with an average weekly wage of $933. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The overall capital investment for this project is approximately $8 million. *This project is described further in Resolution 2008-090.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent standard employment tax credit for seven years, for up to 251 new jobs.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Mr. Epolito asked Mr. Kitchens to explain one of the benefits that Kalamazoo had offered as an incentive to help attract this company. Mr. Kitchens explained that the children of any employees of this company that live within the city limits of Kalamazoo will be able to attend any college or university in Michigan for free. Director Cooley commented that this type of project proves that the work being done by the MEDC is bringing the right kind of jobs to Michigan.* Being no more discussion, **Ms. Nelson made a motion for approval of Resolution 2008-090. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-091: Genzink Steel Supply and Welding Company (Genzink)

Bill Kratz, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: State Senator Wayne Kuipers, District 30; John Maxson, Chief Operating Officer of Genzink; and Al McGeehan, Mayor of the City of Holland.

Senator Kuipers was introduced and invited to address the board and meeting guests. He expressed his support, not only for this project, but for two others that were also on the agenda later in the meeting. He communicated to the group his pride in having three projects from Senate District 30 on the agenda, a sign of growth and good things happening. Genzink was formed in 1968 in Holland, Michigan and is a full-service provider of products and services centered on heavy welding. The company serves a wide variety of customers from a range of industries. Genzink has a unit that sells steel cut to length, shape cut, bent, painted and shipped in kits to other major fabricators nationally, as well as a heavy plate fabrication unit that is directed towards major equipment manufacturers in mining, defense, alternative energy, rail maintenance and heavy construction equipment suppliers. The company's products are also used by major power plant companies like Bechtel, Babcock Wilcox and Vogt Power in the construction of new or modified power plants around the country. Genzink currently has 311 employees in Michigan.

Mr. West provided additional information about this project. The proposed project includes a 38,000 square foot building expansion to be followed by construction of a 50,000 square foot building at its site in Holland, Ottawa County. The initial expansion is necessary in order to capitalize on growth opportunities in the alternative energy sector, mining, oil and gas exploration, Department of Defense and heavy construction supplier contracts. The second phase of the project that includes the construction of a 50,000 square foot manufacturing plant is necessary due to the growth in the demand for the supply of structural steel and equipment used by power plant construction companies. This project also requires continued job related training for new and existing fabrication employees. Total investment over five years will be approximately $7.93 million. This project will create 104 new jobs with an average weekly wage of $766. The company will offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-091.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for seven years, for up to 104 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued about the types of materials the company worked with, other than steel, and also the need for assistance in finding experienced staff/getting employees trained in fabrication.* Being no more discussion, **Ms. Nelson made a motion for approval of Resolution 2008-091. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-092: Kelly Services, Inc. (Kelly Services)
Jerome Katz, MEDC Business Development Manager, introduced the guest presenters who provided background information on the company and this project: Rolf Kleiner, Senior Vice President of Kelly Outsourcing and Consulting; and Pamela Valentik, Economic Development Specialist for the City of Troy.
Kelly Services was founded in Detroit in 1946 and has grown rapidly as more clients saw the value. Over the 62 year history, Kelly has only had three chief executive officers, showing consistent leadership, which is unique in the staffing industry. Management includes the most seasoned group of professionals in the staffing industry and embodies a breadth of experience and expertise across commercial, professional, and technical staffing as well as outsourcing and consulting services.

Since its inception, Kelly Services's range of solutions and geographic coverage has grown steadily to anticipate and meet the needs of its customers. Kelly Services is now the second largest staffing company in the United States and the fourth largest in the world. The company has a substantial presence in the Americas, Europe, and Asia-Pacific regions, and will continue a strategy of global growth. The company currently employs 1,464 people in Michigan.

Ms. Deprez provided additional information about this project. Kelly Services provides a staffing solution to support customer call centers, called Kelly Connect. In response to current and forecasted workforce trends that companies and employees demand more flexible workforce choices, Kelly Connect is launching a staffing solution allowing call center staff to efficiently work from home. The solution allows Kelly Connect to employ call center workers who work from home to service its customers (i.e., the companies with call center needs). To support this significant new service offering, Kelly Services anticipates that 400 new jobs will be needed over the next five years to support Kelly Connect.

Additionally, Kelly Services is working to bring greater efficiency to its business and is considering expanding and centralizing the management and transactional functions of several business units to a single location. These business units are Kelly Educational Staffing, Kelly Scientific Resources and Central Operations and Businesses. Expanding and centralizing these business units would better align

Kelly with best practices within the staffing industry and is forecast to create 172 new jobs over the next five years.

Kelly Services is proposing to combine these operations into one central location and has identified a facility in Troy that meets their needs. The combined project would account for 572 new jobs in Michigan, paying an average weekly wage of $705 and would include a capital investment of approximately $7.8 million, of which $4.3 million is capitalized lease costs. The company will also offer health care benefits and pay a portion of the costs. *This project is described further in Resolution 2008-092.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for seven years, for up to 572 net new employees, provided that the company creates a minimum of 350 new jobs by the end of the fifth year (2013). Failure to create the minimum of 350 by the end of the fifth year will result in the forfeiture of the final two years of the MEGA tax credit.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit 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 2008-092. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-093: Lean Logistics, Inc.
Bill Kratz introduced the guest presenters who provided background information on the company and this project: Dan Dersham, President and Chief Executive Officer of Lean Logistics; and Les Hoglund, Mayor of the City of Zeeland.
It was noted that this is the second of the three projects referenced by Senator Kuipers earlier in the meeting. LeanLogistics, Inc., based in Holland, Michigan, was founded in 1999. The principle service provided by the company is an on-demand transportation management system. The company now offers additional services including managed transportation services. In March of 2008, LeanLogistics, Inc. was purchased by Brambles, an Australian company. LeanLogistics, Inc. is currently operating as a division of CHEP USA (a Brambles company). CHEP, headquartered in Orlando, Florida, is the global leader in pallet and container pooling services serving many of the world's largest companies. CHEP has more than 7,700 employees and operates in 44 countries. LeanLogistics, Inc currently employs 64 people in the State of Michigan.

The proposed project involves leveraging CHEP's unique pallet and container movement database and LeanLogistics' on-demand transportation management system to create value added transportation solutions. The solutions will optimize transportation across multiple networks. The proposed project will move LeanLogistics' operations to Zeeland, Michigan.

Mr. Hundt provided additional information about this project. This project will result in the creation of 186 new jobs in year one and 581 new jobs over the next five years with an average weekly wage of $1,092. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The overall capital investment for this project is $13.9 million. *This project is described further in Resolution 2008-093.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent standard employment tax credit for 10 years, for up to 581 new jobs.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued regarding the algorhythms used by the company to help other companies. Ms. Shinn commented that, being with the Michigan Department of*

Transportation, she understands the importance of logistics planning. She continued that MDOT was partnering with Michigan State University about logistics planning and suggested the company get in touch with MDOT to help them learn more from the company's expertise. Being no more discussion, **Ms. Nelson made a motion for approval of Resolution 2008-093. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-094: Precision Aerospace Corporation (PAC)
Karen Hinkle, MEDC Workforce Development Analyst, introduced the guest presenters who provided background information on the company and this project: Bill Hoyer, President of Precision; Kara Wood, Economic Development Director for the City of Grand Rapids; and Susan Jackson, Senior Business Development Manager of The Right Place.
PAC, currently located in Grand Rapids, is a manufacturer of high-tolerance components and assemblies for the aerospace and defense industries. Founded in 1956 by others, current ownership was affected in 1990 by William Hoyer. Subsequent acquisitions, Johnson Mfg. of Grand Rapids and Alta Engineering of Sun Valley,California were affected in 1995 and 2000 respectively, both moved to the 704 Crofton address and under the auspices of PAC. The company's growth has remained steady and includes expansion from basic stamping, fabrication and machining to current complex processing including five axis complex machining, flat lapping to .000003", NADCAP GTAW welding and a myriad of other high tech offerings to its aerospace and defense clients. The company currently employs 122 people in Michigan.

PAC identified several new growth opportunities and is looking to expand its operations to accommodate the current and future growth of the company. The largest of the new programs that PAC will undertake is from its largest customer, Woodward Governor Corporation (WGC), out of Rockford, Illinois. Due to accelerated growth and the need for additional internal space, WGC needs to outsource 190,000 man-hours of high tech, complex, precision machining for approximately 1500 unique aerospace/defense parts. PAC has been awarded a contract for approximately 500 of these unique part number items – which equates to about 85,000 direct labor hours. Additionally, PAC has identified two more growth opportunities, in the land-based defense arena supporting L-3 combat propulsion systems and through several domestic locations of Parker Hannifin. All the growth is in aerospace components that support actuation and hydraulic systems.

Ms. Deprez provided additional information about this project. The company would like to accommodate the immediate needs of this growth at its existing Grand Rapids and Wyoming facilities and has identified an immediate additional need of approximately 20,000 square feet and another 30,000 square feet in 2-3 years. The company plans to invest about \$2.3 million in facilities and \$7.8 million in machinery and equipment through the next five years as a result of this expansion project. The company is committed to retaining its existing workload in Michigan and also creating an additional 190 jobs paying an average weekly wage of \$724. The company will also offer health care benefits and pay a portion of benefit costs. *This project is described further in Resolution 2008-094.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for 10 years, for up to 190 net new employees.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued about the technology and process used by the company which will require highly skilled technicians, giving Michigan the edge ultimately.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-094. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-095: Request Foods, Inc. (Request Foods)

Bill Kratz introduced the guest presenters who provided background information on the company and this project: Bill Rysdyk, Chief Financial Officer of Request Foods; and Don Komejan, Assistant Supervisor of Holland Charter Township.

This is the third project referenced by Senator Kuipers earlier in the meeting. Request Foods, Inc., incorporated in Michigan in 1989, is a leading co-packer of custom entrees, side dishes and specialty items. The company offers custom and proprietary food processing to food service companies along with wholesale and retail food chains in the United States and Canada. Request Foods also provides the 'store' brands for large food retailers and wholesale club chains. Although the majority of its business is private labeling for other companies, it also distributes its own line of products throughout the United States.

In 1990, Request Foods constructed a 90,000 square foot facility in Holland Charter Township. Over the last 18 years, the company has made several major expansions and has grown to 350,000 square feet resting on nearly 20 acres of land. The company currently has 396 employees in Michigan.

Request Foods has a 10-year contract with Campbell Soup Company to make frozen soup, macaroni and cheese, and pot pie filling under Campbell's brands. Request Foods would co-pack the products for Campbell at its facility in Holland. Current excess capacity would be used to begin transitioning items in the fall of 2008, with full production in the fall of 2009. Request Foods anticipates that the successful completion of this project will maximize production at the Holland facility.

Stephen Haakenson, MEDC Program Manager, provided additional information about this project. To accommodate the growth, Request Foods would need to provide capital investment estimated at $26.1 million, primarily in machinery & equipment. It also projects adding 139-154 new jobs within the first year, and will increase to 202 new jobs over the next five years. These jobs will provide an average weekly wage of $590, with all new jobs being subject to the company's semi-annual bonus program and benefit package that includes medical coverage and retirement plans. *This project is described further in Resolution 2008-095.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for 10 years, for up to 202 new jobs, with a look back on the net new employees to July 15, 2008.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Nelson made a motion for approval of Resolution 2008-095. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

RURAL MEGA CREDITS:

Resolution 2008-096: Ameriwood Industries, Inc. (Ameriwood)

Jennifer Owens, MEDC Director of Michigan Business Retention and Growth, introduced the guest presenters who provided background information on the company and this project: Jim Peterson, Director of Manufacturing Operations of Ameriwood; Don Lyons, Mayor, Rozanne Scherr, Assistant City Manager, and Kevin Anderson, City Manager, all three of the City of Dowagiac.

Ameriwood Industries, Inc. was started in 1969 as Jessco, Inc. as a vinyl laminator of particleboard. In 1978, Jessco was purchased by Rospatch Corporation and in 1981 Rospatch expanded into the Ready to Assemble (RTA) Furniture business which is the main focus of Ameriwood today. In 1991, Rospatch changed its name to Ameriwood and in 1998 Ameriwood was purchased by Charleswood Corp., a subsidiary of Dorel Industries. Charleswood, also a RTA furniture manufacturer was located in Wright City, MO. The entire RTA division was later renamed Ameriwood Industries. The RTA division at one time included plants in Cornwall, Ontario, Wright City, Missouri, Dowagiac, Michigan, Brampton, Ontario, and Tiffin, Ohio. The plants in Brampton and Wright City are now closed, with most of the operations in Dowagiac being reduced. The operations in Dowagiac were suspended in July of 2007, with only minimal support operations remaining. Ameriwood currently has 48 employees in Michigan.

Mr. West provided additional information about this project. The proposed project includes restoring the production capabilities of the plant in Dowagiac, Cass County, in order to accommodate the growth and product demand caused by rising freight costs and due to the closure of several competing companies. Restarting manufacturing at the plant would require reinstalling machinery that had been removed along with purchasing and transferring of machinery from other sites. The initial restoration of the facility will include restoring old equipment to proper operating condition and standards, installing relocated equipment and insuring the building is updated to a level that will be able to support production operations. Total investment over five years will be approximately $3.45 million. This project will create 100 new jobs with an average weekly wage of $516. The company will also offer health care benefits and pay a portion of the benefit costs. *This project is described further in Resolution 2008-96.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent employment tax credit for seven years, for up to 100 net new employees, subject to the following: The company must create a minimum of 100 jobs, over the employment base of 48, by the end of the fifth year of operations. Failure to create the 100 jobs by the end of year five will void the remaining two years of the tax credit.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Rural MEGA Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Nelson made a motion for approval of Resolution 2008-096. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

<u>BROWNFIELD MBT APPROVAL:</u>

Resolution 2008-097: Eberspacher North America, Inc. (ENA)

Jeff Sand introduced the guest presenters who provided background information on the company and this project: Dennis Berry, President and Chief Executive Officer of Eberspacher; Dana Foster, City Manager of the City of Brighton; and Mark Bennett, Senior Counsel of Miller, Canfield, Paddock & Stone, P.L.C.

Eberspaecher GmbH, ENA's parent company, was founded in 1865, and concentrates on two core competences: exhaust technology and pre-heaters and add-heaters for passenger cars, transporters, trucks, busses, building vehicles and boats. Eberspaecher employs more than 5,800 people in 16 countries and is known and respected industry-wide for its contributions and innovative technologies aimed at solving the automobile industries' "green" and other challenges of today and into the future.

ENA's Brighton facility provides a leading example of Michigan's "New Economy" with a focus on high technology and "green" automotive industries. ENA's current facility will undergo eligible operational improvements to focus on the manufacturing of various after treatment emissions control equipment for the automotive and large truck marketplace. This project will support growing industry requirements to meet new EPA emissions reduction regulations aimed at the large truck class. The company currently produces and assembles components for the light vehicle segment.

Ms. Deprez provided additional information about this project. The North American Expansion Project will consist of eligible improvements to its current existing manufacturing facility located in Brighton to address the needs of the growing base of automotive customers with the technology and products to meet stringent new EPA emissions requirements for the new large vehicle market. Eligible improvements will also include the acquisition and development of a contiguous (4.72 acres) property for the light industrial and warehousing operations (approximately 60,000 square feet) to support the company's planned new and improved light manufacturing activities.

ENA's total estimated capital investment for this project is $59,818,083, all of which is eligible investment. Approximately 171 Michigan jobs will be retained and approximately 105 new jobs will be created as a result of this project, with average wages ranging from $15-17 per hour. Without the brownfield credit this facility is at risk of closure, and the jobs would be lost. The project will also apply for a Property Tax Abatement under PA 198 through the City of Brighton for up to 12 years. *This project is described further in Resolution 2008-097.*

Recommendation: MEDC staff recommends approval of a MEGA MBT Brownfield Redevelopment Credit of 12.5% of the eligible investment not to exceed a $7,477,260 credit.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Credit request 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 2008-097. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

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

Resolution 2008-098: REDICO Holdings, LLC (Former Montgomery Ward Redevelopment Project) City of Dearborn – Brownfield MBT Credit

Resolution 2008-099: REDICO Holdings, LLC (Redico) (Former Montgomery Ward Redevelopment Project)
City of Dearborn – Work Plan Approval
Van Adams, MSHDA CATeam Program Consultant, introduced the guest presenters who provided background information on the company and this project: Lynn Gandhi, Partner at Honigman Miller Schwartz and Cohn, LLP; Ken Till, Vice President of REDICO; Barry Murray, Director or Economic and Community Development and Amina El-Hussein, Senior Economic Development Assistant, both of the City of Dearborn.
Work Plan Request: $14,228,881
Brownfield MBT Credit Request: $9,600,000
The Montgomery Ward Redevelopment Project is located in the East Dearborn Downtown Commercial District on one of the City of Dearborn's main thoroughfares at 13551 Michigan Avenue. The Project is a mixed-use development consisting of medical, commercial and senior living residential facilities. A new three level Class A medical facility with integrated, complementary retail will be built on the property. It will consist of approximately 168,000 square feet of space. The medical facility will specialize in the treatment of pediatrics, women, and the elderly, with imaging, rehabilitation, treatment, pharmaceutical and other medical support services integrated within the facility. To the immediate east of the medical facility, bordered by Schaefer Road and Osborn Street, will be a six-level public parking deck that will provide 650 spaces.

Immediately adjacent to the medical facility on the north side, will be a new senior living residence of approximately 100,000 square feet, with 96 units and capacity for approximately 116 residents. Additionally, there will be approximately 22,000 square feet of retail and office in a stand-alone two-story building to meet the needs of the residents of the senior living facility and those frequenting the medical facility. The retail will be open to the local community.

Approximately 200 newly created full-time jobs are anticipated at the site, not including any full or part-time employees associated with the retail space, with an average hourly wage of $22. The total capital investment is anticipated to be $68 million, with the eligible investment of $48 million. The total MEGA Eligible Activities are anticipated to be $14,228,881.

The project is expected to utilize various sources of state and local assistance including the Local Site Remediation Revolving Fund ($594,980) and a zero interest loan from the Downriver Community Conference ($900,000). The East Dearborn Downtown Development District Authority (EDDDA) has already entered into a resolution pledging its tax increment revenue to support the public parking deck for this project. This support was approved by the EDDDA on April 10, 2008. The City of Dearborn has also indicated that all of the estimated $13,344,552 in EDDDA capture will be utilized towards this project. *This project is described further in Resolutions 2008-098 and 2008-099*

Recommendation: MEDC staff recommends approval of school tax capture for the eligible activities totaling $14,228,881 described above. Utilizing the state to local capture ratios described above, the amount of school tax capture for this project is estimated at $12,892,789. The Brownfield Redevelopment staff also recommends approval of an Urban Development Area Project designation and a MEGA MBT Brownfield Redevelopment Credit of 20% of the eligible investment, not to exceed a $9,600,000 credit.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed both the proposed Brownfield MBT Credit request and also the Work Plan Approval request and recommends approval of both.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued about the need to ensure some source of public transportation is available for those seniors and new business people. Mr. Murray confirmed that two of their buses already currently have routes that include stops to that area.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-098. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused. **Mr. Garcia made a motion for approval of Resolution 2008-099. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused.

<u>WORK PLAN APPROVAL:</u>

Resolution 2008-100: Harris Milling Redevelopment Project Work Plan – City of Cadillac
Tom Durkee MSHDA CATeam Program Consultant, introduced the guest presenters who provided background information on the company and this project: Precia Garland, Assistant City Manager of the City of Cadillac; and Donna Koltuniak, Project Engineer of Otwell Mayby.
Work Plan Request: The City of Cadillac's Brownfield Redevelopment Authority has submitted a work plan request for the approval of $255,750 in local and school tax capture.

The proposed project by the developer, Chemical Bank, has proposed to demolish the existing, vacant structure on the property, conduct all necessary due care activities and construct a new 5,000 square foot building for retail and commercial banking operations. This project is located in the traditional downtown area of the City of Cadillac, on the former YMCA, Harris Milling, and Brasseur sites. The project is expected to create 2 new jobs, the exact wages are unknown at this time. The total capital investment for new construction is anticipated at $1.2 million.   This development is part of a larger project being undertaken by the City of Cadillac to link the downtown to the shore of Lake Cadillac. Eligible activities include a public parking lot, road repair, and the installation of sidewalks.

Project is likely to benefit from a DEQ grant of up to $849,275 and a DEQ loan of up to $280,025. Besides the Local TIF, the City and DDA are contributing an estimated $1.1 million for improvements to West Chapin Street. This project is adjacent to West Chapin Street and will benefit directly from these improvements. *This project is described further in Resolution 2008-100.*

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling $255,750, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at $204,997.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the Work Plan Approval 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 2008-100. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused.

Resolution 2008-101: South Lansing NuUnion Development Project Work Plan – City of Lansing
Tom Durkee introduced the guest presenters who provided background information on the company and this project: Ken Szymusiak, Director of South/Outer Core for Lansing Economic Development Corporation; Tim Murphy, Assistant Vice President of NuUnion; and Steve Willobee, Senior Project Professional of NTH Consultants.
Work Plan Request: The City of Lansing's Brownfield Redevelopment Authority has submitted a Work Plan request for the approval of $392,922 in local and school tax capture.

NuUnion Credit Union is proposing the redevelopment of a 1.63 acre property site, home of the former Regent Inn hotel on Lansing's south side. The project is on South Pennsylvania Avenue and is in close proximity to a major I-96 interchange. The current 35,000 square feet of existing structures are vacant and abandoned. The project will involve the demolition of those existing obsolete structures, followed by new construction of a 5,000 square foot retail credit union branch office.

Financial assistance is requested for activities that include demolition of buildings and the relocation and resizing of a sanitary sewer that currently cuts directly through the project area. NuUnion will use the facility to relocate its nearby branch office, which it has outgrown, and allow for expansion of its business. It is expected that 2 to 5 new jobs will be created with average wages of $10 to $13 per hour. The total capital investment anticipated is $3.4 million. The total eligible investment anticipated is $2.6 million. The developer is also seeking a 12.5% MBT Credit for eligible investment. The MBT Credit request is for $324,027. *This project is described further in Resolution 2008-101.*

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling $392,922, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at $154,065.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the Work Plan Approval request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Nelson made a motion for approval of Resolution 2008-101. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-102: Historic Thompson Block Redevelopment Project Work Plan – County of Washtenaw
Peter Anastor, MEDC Manager of Urban Planning and Brownfields, introduced the guest presenters who provided background information on the company and this project: Stewart Beal, President of Beal Properties, LLC; and Jeremy McCallion, Senior Project Professional for NTH Consultants.
Work Plan Request: The Washtenaw County Brownfield Redevelopment Authority has submitted a work plan request for the approval of $185,264 in local and school tax capture.

The Historic Thompson Block Redevelopment is a mixed use development that involves the improvement of a three story building located in the Depot Town area of Ypsilanti, Washtenaw County. The project consists of a mix of commercial, retail, and residential space. Although the exact structure of mixed-use is not known at this time, it is anticipated that there will be 16,000 square feet of retail and 18,000 square feet of commercial. Two of the four spaces on the first floor have already been leased; one to a local bar and music venue, and the other to a music center. In addition, five of the sixteen lofts have already been leased, with a tentative move in date of April 1, 2009.

Although the primary purpose of this project is to revitalize the Depot Town community in Ypsilanti into a livable environment with downtown retail and commercial amenities, it is anticipated job creation will associated with the retail and commercial aspects of this project. The total number of permanent full-time jobs and wages are not known at this time. The total capital investment anticipated for this project is $4 million.

This project has received an OPRA for 12 years, which freezes the property value associated with local taxes at the amount prior to its redevelopment. Also, as part of the OPRA the state treasurer has approved the reduction of the state education tax and local school operating by one-half for six years. The developer is also applying for a Brownfield MBT Credit valued at $373,783. *This project is described further in Resolution 2008-102.*

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling $185,264, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at $185,264.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the Work Plan Approval request 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 2008-102. Mr. Dubose seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Resolution 2008-103: Walker Orchard Land Partners Redevelopment Project Work Plan – City of Wyoming
Peter Anastor introduced the guest presenters who provided background information on the company and this project: John Byl, Attorney at Warner Norcross; Zachary Bossenbroek, Attorney atf Bossenbroek Law; James Bossenbroek, Manager of Walker Orchard Land Partners; and Barbara VanDuren, Assistant City Manager of the City of Wyoming.
Work Plan Request: The City of Wyoming's Brownfield Redevelopment Authority has submitted a work plan request for the approval of $39,241,273 in local and school tax capture.

The Orchard Park development is designed to be a high quality, mixed-use development that will provide the community with live, work, shop and play opportunities unlike any other development within the Grand Rapids metropolitan area. The development will occur in two primary phases. Phase I located on the southern portion of the property and Phase II is located on the northern portion of the property.

The proposed Phase I of the project includes a 125,000+ square foot Cabela's store and other supporting uses, such as small and medium shops, a hotel/water park and a business-class hotel. Phase II includes the property north of Northridge Drive and is planned for a lifestyle center, multi-family residential, senior living facilities, and office space. Upon full build out, Orchard Park is planned for approximately 1,400,000 square feet of retail uses, 77,600 square feet of restaurant uses, 135,000 square feet of office uses, 325 apartments, 114 town homes and condominiums, a 150 room hotel, and a water park/resort hotel with 160 rooms.

The developer will be seeking MDEQ TIF in the amount of $1.72 million for environmental clean-up. MDOT will support specific road improvements in the form of TEDF grants up to a total of $2.73 million. The remainder of the eligible activities in excess of the maximum $8.6 million of MEGA recommended TIF will be covered through local only TIF. *This project is described further in Resolution 2008-103.*

Recommendation: MEDC staff recommends approval of local and school tax capture for the eligible activities totaling $39,241,273, described above, with a maximum total state school tax capture of $8.6 million. The remaining activities will be reimbursed through local only tax capture. Utilizing the current state to local capture ratio, the amount of school tax capture for this project shall not exceed $8.6 million.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the Work Plan Approval request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. *Mr. Anastor provided some clarification regarding what would be taking place in each phase of the project.* Being no more discussion, **Director Cooley made a motion for approval of Resolution 2008-103. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

DEFENSE CONTRACTING MBT CREDIT:

Resolution 2008-104: Wolverine World Wide, Inc.
Bill Kratz introduced the guest presenters who provided background information on the company and this project: Mike McBreen, President of Global Ops Group; Ron Woznick, Vice President and General Manager of Bates Footwear; Rozanne Oliver, Capture Team Manager of the MEDC's Defense Contract Coordination Center; Bill Mrdeza, Director of Mecosta County Development Corporation; and Susan Jackson, Senior Business Development Manager of The Right Place.
Wolverine World Wide, Inc., a footwear manufacturer headquartered in Rockford, Michigan, does business in over 130 countries. The company produces Bates Uniform Footwear, Caterpillar Footwear, Harley-Davidson Footwear, Hush Puppies, Merrill, Stanley Footgear and Wolverine boots and shoes. Wolverine World Wide, Inc. currently has 1,432 employees in Michigan. Wolverine World Wide is competing for a contract to manufacture men's and women's temperate weather boots for the United States Air Force. The minimum quantity of boots is 50,002 pairs with a maximum of 250,008 pairs. There is also an option the Air Force could add up to four additional years with a maximum of 187,500 pairs of boots in each additional year.

Mr. Hundt provided additional information about this project. The project consists of manufacturing and supplying the Air Force temperate weather sage green combat boot. The product will be manufactured at Wolverine World Wide, Inc. in Big Rapids, Michigan, and will create 115 new jobs in the state, with an average hourly wage of $10 per hour. The company also offers healthcare benefits and will pay a portion of the benefit costs. The total capital investment for this project will be $5.5 million. The MEDC will also provide $100,000 in EDJT assistance for the creation of these 115 new jobs. *This project is described further in Resolution 2008-104.*

Recommendation: Based on the factors described above, the MEDC recommends a 100 percent Defense MBT Credit not to exceed the length or the contract, or a maximum seven years, for all jobs created due to the contract, provided that Wolverine World Wide is awarded this contract with the United States Air Force.
Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Defense Contracting MBT Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Ms. Nelson made a motion for approval of Resolution 2008-104. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

BROWNFIELD MBT CREDIT AMENDMENT:

Resolution 2008-105: Griswold Capital Park, LLC

Peter Anastor introduced the guest presenters who provided background information on the company and this project: James Van Dyke, Vice President of Development of Roxbury Group; and Stacy Fox, Principal of Roxbury Group.

The MEGA Board approved a Brownfield Redevelopment SBT credit for the Griswold Capitol Park project on December 19, 2006. At that time, the project consisted of eligible investments up to $36,521,799 for a credit not to exceed $3,652,179. The project included the development of a 13-story mixed use building, encompassing a parking deck in Detroit's Central Business District.

The developer has now requested that the project be divided into two phases and also add five (5) years to complete the entire project. Due to the significant fall off in the local urban residential market, combined with a renewed focus on new business attraction, the developer and Detroit Downtown Development Authority rebalanced the mixed-use component to incorporate a higher commercial element.

Originally, the project was a single phase proposal to construct an 8-story parking structure with five stories of residential condominiums, totaling 13 floors. The condos would supply 107,350 square feet of residential space in 80 units or approximately 310 residences. The parking would allow for 525 spaces, as well as contain approximately 12,373 square feet of retail and commercial enterprises at the pedestrian level. The project would be connected to the Westin Book Cadillac Hotel and Residences.

The amendment request proposes that Phase I would encompass the parking structure and Phase II would be developing three floors of office space, as well as a fourth floor for residential units. While the square footage will remain about the same with 100,000 square feet, there will be one less floor due to the greater ceiling height requirements for the commercial space.

Phase I will consist of the 525 space parking deck and associated ground floor retail totaling 12,300 square feet. Eligible investment for this phase is estimated at $18,159,753. The eight-story parking structure and associated retail will continue to be connected to the Westin Book Cadillac Hotel and is expected to be occupied by August 2008. The credit for Phase I is estimated to be $1,815,975.

Phase II will consist of three floors of commercial office space and one floor of residential condominium units. The one floor of residential is expected to have thirteen two-bedroom units, and three one-bedroom units. Eligible Investment for this phase is currently anticipated at $18,362,046, with an estimated credit of $1,836,204. There will be no increase in the availability of the tax credits even if your eligible investment exceeds the maximum approved eligible investment total of $36,521,799 identified in your Pre-approval letter.

The original five-year completion date for the project is December 31, 2011. Although, the developer anticipates Phase I to be finished by August 2008, Phase II requires five (5) additional years. The project must now be completed by December 31, 2016. *This project is described further in Resolution 2008-105.*

Recommendation: The Brownfield Redevelopment staff recommends approval of the amendment request to change the project to a multiphase project as noted above, with an addition of five (5) years completion time. Phase I would result in eligible investment of $18,159,753 for a maximum Brownfield MBT Credit of $1,815,975. Phase II would result in eligible investment of $18,362,046 for a maximum Brownfield MBT Credit of $1,836,204.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Amendment request and recommends approval.* Mr. Epolito asked if there were any questions from the board. Being none, **Ms. Nelson made a motion for approval of Resolution 2008-105. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

MEGA AMENDMENT:

Resolution 2008-106: Attwood Corporation

Peter Anastor provided background information on this amendment.

On July 15, 2008, Attwood Corporation was awarded an Employment Tax Credit of 80 percent for seven consecutive years. In negotiations with the company, Attwood stated that they operated under the parent company, Brunswick Corporation, but Attwood did not have any control of any of the other Michigan entities and operated separately from any Michigan Brunswick affiliates. Although initial documents reflected a base capture of 414, the terms letter provided by the MEDC and signed by the company, agreed to a base of 114. This base omits the other Michigan Brunswick companies, which was the intent of the negotiations. *This project is described further in Resolution 2008-106.*

Recommendation: The MEDC recommends that the Resolution be amended to reflect the base of 114 rather than 414 to provide a more effective and reasonable incentive for the company to expand their Lowell, Michigan operations.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Amendment 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 2008-106. Mr. Garcia seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

Mr. Epolito asked that the board recognize the MEDC staff and the local economic partners, noting that the great work they are doing to attract businesses to Michigan is nothing short of amazing and is instrumental in bringing Michigan's economy back.

DISCUSSION: Mr. Epolito noted to the board that the list of proposed 2009 Board Meeting Dates for the MEGA Board were included in their board books. He asked everyone to review them and a vote would be taken at the next meeting. There was no additional discussion.

ADJOURNMENT: **Director Cooley made a motion to adjourn the meeting. Ms. Nelson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

The meeting adjourned at 12:44 p.m.