

ADOPTED MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) board was held at the Michigan Economic Development Corporation, 300 N. Washington Square, on August 9, 2006, at 8:30 a.m.

Members Present

Martin Gibbs (acting for and on behalf of Robert Swanson, authorization attached)
Mike Kapp (acting for and on behalf of Kirk Steudle, authorization attached)
Sande-Bain MacLeod
Mark Morante (acting for and on behalf of Jim Epolito, authorization attached)
Faye Nelson (by telephone)
Scott Schrager (acting for and on behalf of Robert Kleine, authorization attached)

Others Present

Amy Banninga, MEDC
Tiffany Bloom, MEDC
Gabriella Bruno, Ford Motor Company
Anne Marie Gattari, Ford Motor Company
Carol Knobloch Johns, MEDC
Kathy Markman, Attorney General's Office
Mike Pohnl, Ford Motor Company
Matthew Rick, Attorney General's Office
Mike Shore, MEDC
Tim Timmerman, Ford Motor Company

Call to Order

Martin Gibbs called the meeting to order at 8:35 a.m.

Approval of Minutes from July 19, 2006

After review, a motion was made, supported and carried that board meeting minutes from the July 19, 2006 meeting be adopted

Public Comment

There was no public comment.

ACTION ITEM

*Ford Motor Company
One American Way
Dearborn, Michigan 48126*

Amy Banninga introduced Tim Timmerman, Gabriella Bruno and Anne Marie Gattan from Ford Motor Company. Mr. Timmerman described the project to the board.

Ford Motor Company is the world's second-largest producer of cars and trucks combined. Ford sells vehicles in more than 200 countries and territories around the world, and has manufacturing facilities on six continents. In 2005, the company sold 6.8 million vehicles, and employed 300,000 people worldwide.

Currently, Ford is at a critical junction, facing some of its toughest challenges. Global competition, increased operating costs, and other factors have led Ford to the conclusion that drastic change in the way that it conducts business is necessary for survival.

Ford is considering significant investment as part of its Way Forward revitalization plan, which would source additional product programs and technology in Michigan. Under consideration are investments in machinery and equipment to revitalize numerous Ford Michigan powertrain, stamping, and research facilities and to enable the production of new products in Michigan, including a new front-wheel drive transmission and heavy-duty engine. If the project is undertaken, the company will invest approximately \$1 billion to upgrade operations at nine Michigan facilities, resulting in the retention of up to 13,740 jobs, paying an average weekly wage of \$960. The company will also invest an additional \$400 million in several other company and company-related facilities to further secure their future in Michigan.

It is estimated that retention of the company's manufacturing facilities will retain a total of 56,200 jobs in the state by the year 2027. We also estimate that the project would maintain total state government revenues through the year 2027, of \$4.2 billion due to the retention of this facility.

The company must achieve cost savings and efficiencies in every facet of its operations and is looking at every facility to identify and pursue operational efficiencies and savings. Ford has excess manufacturing capacity in the United States and has already announced the idling of several manufacturing facilities. Plants that receive sizable investment and secure successful product programs are less likely to be idled in the near future, thereby helping to secure Ford's operations in Michigan.

The company has met with local officials in the majority of project site jurisdictions. These communities have expressed full support for the project. Ford will file property tax abatement applications as investment details are finalized.

Recommendation

The Michigan Economic Development Corporation recommends a 30 percent employment credit for 20 years for the retention of up to 13,740 jobs at the company's Dearborn Stamping, Livonia Transmission, Michigan Proving Grounds, Michigan Truck, Romeo Engine, Sterling Axle, Sustained Mobility Laboratory, Van Dyke Transmission and Woodhaven Stamping sites.

The credit will be contingent upon the company maintaining at least 6,000 full time jobs at these sites. As required by the MEGA statute, this credit is subject to a clawback, should the company not meet certain contractual requirements.

Board Discussion

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

Hearing no further discussion, a motion was made and supported and Resolution 2006-51, authorizing a MEGA job retention tax credit for Ford Motor Company, was adopted.

The meeting was adjourned at 8:45 a.m.



STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT W. SWANSON
DIRECTOR

DESIGNATION OF AUTHORITY

As Director of the Michigan Department of Labor & Economic Growth, I hereby Authorize my Executive Assistant, Martin L. Gibbs, to represent me at the Special MEGA Board Meeting on August 9, 2006, that I cannot attend.

A handwritten signature in cursive script, appearing to read "Robert W. Swanson", written over a horizontal line.

Robert W. Swanson, Director
Department of Labor & Economic Growth

Dated: 8/2/06



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

ANNIFER M. GRANHOLM
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

March 10, 2006

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

Dear Ms. Ammarman:

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Kirk T. Steudle".

Kirk T. Steudle, P.E.
Director



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
CONTACT CENTER
517 373 9808

WWW.MICHIGAN.ORG

August 1, 2006

EXECUTIVE COMMITTEE

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Chair
General Motors

PHILIP H. POWER
Vice-Chair
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Ford Motor Company

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Pepper Hamilton LLP

ROBERT W. SWANSON
Michigan Department of Labor
& Economic Growth

ENNIS R. TOFFOLO
Oakland County

ETHEL S. WALTERS
Man Industries Corp.

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

Dear Ms. Ammarman:

I hereby designate, Mark Morante, Vice President of Development Finance to represent me and vote at the Wednesday, August 9, 2006 Michigan Economic Growth Authority Board meeting.

If you have any questions, please feel free to contact me at 517-241-1400.

Sincerely,

James C. Epolito
President & CEO

sb



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

Robert J. Kleine
State Treasurer

JENNIFER M. GRANHOLM
GOVERNOR

April 12, 2006

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

To Whom It May Concern:

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

Sincerely,

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

Robert J. Kleine
State Treasurer

C: Scott Schrager

