

MEMORANDUM

Date: September 14, 2010

To: Michigan Economic Growth Authority

From: Kenneth Murdoch, Project Specialist
Karla Campbell, Manager, State Tax Incentives

Subject: Briefing Memo – Grand River Interactive
Look Back and Credit Agreement Amendment

COMPANY NAME

Grand River Interactive LLC
900 Victor Way Suite 100
Ann Arbor, Michigan 48108

BACKGROUND

Grand River Interactive LLC is an e-commerce company based in Ann Arbor, Michigan.

The company was awarded a high technology MEGA employment credit of 75 percent for five years on June 15, 2010, for their Ann Arbor facility (Resolution 2010-078).

STATUS OF PROJECT

The company was under the expectation that they would be able to include all new hires after the June 15, 2010 MEGA Board Approval. Since July 1, 2010 the company has hired 5 employees to work at the Project. During a follow-up conversation with the Company, it was made clear that the Company would not likely have additional hires in excess of the statutory minimum five new jobs between now and the end of their first tax year of which they are eligible to claim the credit. According to the Company, the exclusion of these initial hires would jeopardize the entire Project. The company requested that the employees hired as of July 1 be considered qualified new jobs under the credit.

The company did not execute the original MEGA Credit Agreement. The deadline for executing this agreement was August 13, 2010.

RECOMMENDATION

Due to the factors identified above, the MEDC recommends that the Company be given until October 1, 2010 to execute its MEGA Credit Agreement and grant the Company a Look Back provision to allow the jobs created on or after July 1, 2010, be counted as Qualified New Jobs.