

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
October 6, 2009

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, October 6, 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 12:58 p.m.

PUBLIC COMMENT:

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

PRESENTATIONS:

Photovoltaic Credit Presentation

Theresa Thill, MEDC Director of Attraction, and Phil Santer, MEDC Project Specialist provided a presentation to the Board.

Ms. Thill talked about what photovoltaic (PV) technology is and how it is the MEDC's goal to attract the technology, the companies that produce it, and their entire value chain. Ms. Thill made mention of DOW Chemical's recent announcement of solar shingles and gave a PowerPoint presentation providing a glimpse into the PV market. Mr. Santer talked about the PV credits that had recently been passed by the legislature and the process by which the MEGA Board can allocate these credits.

Mr. Main talked about the PV Credits being molded after the Battery Credits from earlier this year. Mr. Main took a moment to recognize Senator Jason Allen who played a tremendous role in the creation of the Battery Credits and PV Credits.

PROPOSED BROWNFIELD MBT CREDIT AND WORK PLAN APPROVAL:

Resolution 2009-164: Suniva, Inc. (Suniva)

Theresa Thill provided background information for this action and introduced guest presenters: John Baumstark, President, Suniva; Jim Modak, CFO, Suniva; Mark Rogovin, Project Manager, Suniva; JoAnne Crary, President, Saginaw Future; Carolyn Vinsa; and Scott Walker, Executive Director, Midland Tomorrow.

Mr. Baumstark spoke about Suniva's intent to aggressively demonstrate their product. Ms. Crary spoke about the legislation passed to target and attract solar technology and how the Governor signed into action the PV credit. Ms. Crary said that this was a regional win and a Michigan win.

Phil Santer provided additional information on this project.

Suniva, Inc. plans to construct six production lines of their ARTisun photovoltaic cell in Thomas Township (Saginaw County). At full capacity, the company estimates this project will produce photovoltaic cells with a capacity to provide over 400 megawatts of solar power annually (roughly enough power to generate electricity for 100,000 households). The project involves two phases: the first phase will support the installation of three ARTisun production lines, scheduled to begin construction in June 2010. The second phase would install three additional

production lines, scheduled to begin construction in April 2012. Suniva, Inc. plans to invest \$250 million in capital investment and create 500 jobs over the first five years of operation in support of this project.

Recommendation: MEDC staff recommends approval of Suniva, Inc. as a Qualified Taxpayer under Public Act 90 of 2009 (MCL 208.1430). As a Qualified Taxpayer, Suniva, Inc. would be eligible to receive a credit of 25% of their capital investment, for a maximum credit of up to \$15 million.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Photovoltaic Credits 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 2009-164. Mr. Herman seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Resolution 2009-165: Clairvoyant Energy Solar Panel Manufacturing, Inc. (CE-SPM)

Theresa Thill provided background information for this action and introduced guest presenters: David Hardee, CEO, CE-SPM; Joe Sproles, Govt. Relations, CE-SPM; Dr. Gustav Beerel, President & COO, CE-SPM; J. Michael Dornan, City Manager, City of Wixom; and Phil Horlock, Ford

Mr. Hardee spoke about CE-SPM's operations in California and Spain. Mr. Hardee thanked Ford and Phil Horlock. Dr. Beerel spoke about the advanced manufacturing robotics that would be in the facility to create world class efficient solar technology. Dr. Beerel spoke about the highly competitive solar market and where that technology was being produced—China and Japan with Germany and Spain in the lead. Mr. Dornan thanked Mr. Hardee, Phil Horlock, and Carlos Coe for finding a way to utilize the 4.5 million square foot facility taking the State of Michigan forward. Mr. Horlock spoke about his time contemplating what to do with the facility and how the idea of renewable energy just seemed right. Mr. Horlock talked about the Wixom site being 2-3 years ahead of a Greenfield in infrastructure. Mr. Horlock talked about that infrastructure paying dividends in the products speed to market—with rail and roadway already available. Mr. Horlock spoke about California and Texas jobs moving to Michigan because of this project. Mr. Horlock thanked Senator Jason Allen and Governor Granholm for their efforts over the years to make this project come to fruition.

Ms. Shinn asked what the skill level was for the [planned] workforce. Dr. Beerel answered and said that most of the workforce will be a highly trained staff of engineers and technical jobs.

Phil Santer provided additional information on the project.

Mr. Santer spoke about CE-SPM which plans to create up to four photovoltaic manufacturing lines at the former Ford Wixom Assembly Plant in Wixom, Michigan (Oakland County). CE-SPM manufacturing lines will be provided by Oerlikon Solar, a firm that offers production solutions for Thin Film Solar Modules based on thin film mass production technology. Utilizing Oerlikon Solar's technology, CE-SPM's Wixom facility will produce thin-film "Micromorph" photovoltaic modules that, according to the company, produce electricity with fewer raw materials and provide other benefits than existing photovoltaic technologies. Clairvoyant Energy Solar Panel Manufacturing, Inc. anticipates a capital investment of \$857 million and will create 751 new jobs over five years.

Recommendation: MEDC staff recommends approval of Clairvoyant Energy Solar Panel Manufacturing, Inc. as an Eligible Taxpayer under Public Act 90 of 2009 (MCL 208.1430). As an Eligible Taxpayer, Clairvoyant would be eligible to receive a credit of 25% of their capital investment, for a maximum credit of up to \$25 million for the redevelopment of the former Ford Wixom Assembly Plant in Wixom, Michigan.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Redevelopment MBT Credit and the Brownfield Redevelopment Work Plan 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 2009-165. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

PROPOSED BATTERY CREDITS:

Resolution 2009-166: Xtreme Power (XP)

Theresa Thill provided background information for this action and introduced guest presenters; Carlos Coe, CEO, XP; Joe Sproles, Government Relations, XP; J. Michael Dornan, City Manager, City of Wixom; and Phil Horlock, Ford.

Mr. Sproles thanked the Board and stated that he always appreciated being before the MEGA Board. Mr. Coe talked about XP and the reality of what they do, which is store and redeliver power on large scales. Mr. Coe added that this was a one of a kind technology made in the USA and produced in the USA. Mr. Coe briefly talked about the Wixom plant having plenty of room with the right infrastructure. Mr. Coe thanked everyone involved and said that he knew Clairvoyant was wooed by other states, but was proud that a Texan chose Michigan.

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

Mr. Hundt talked about XP plans to renovate and repurpose the 4.7 million square feet Ford Wixom Assembly Plant in the City of Wixom, Oakland County, into a renewable energy park with several green energy manufacturers. XP plans to be one of the anchor tenants of the new renewable energy park and will occupy up to one million square feet of the facility to expand their manufacturing operations and produce 2GWh of renewable electrical energy storage systems by 2014. XP plans to create 2,500 jobs over the next five years paying an average weekly wage of \$769. The company plans to make a total capital investment of \$475.4 million.

Recommendation: MEDC staff highly recommends the Xtreme Power, Inc. project based on the factors described above. It is recommended that Xtreme Power, Inc. receive a Battery Cell Manufacturing Credit in an amount of \$100 million not to exceed \$25 million per year for 4 years subject to the following: The credit shall not be claimed prior to a tax year beginning 2012.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan Approval 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 2009-166. Ms. Shinn seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 1 absent.

Mr. Main stated that this was a 6 year project and worth the wait.

DISCUSSION: Mr. Main thanked everyone for attending and for their hard work then asked if there were any additional discussion items. There were none.

ADJOURNMENT: The meeting was adjourned by Mr. Main at 1:32 p.m.