

**MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD MEETING**  
**May 23, 2012**

**ADOPTED MEETING MINUTES**

A meeting of the Michigan Economic Growth Authority [MEGA] was held on Wednesday, May 23, 2012 at the Michigan Economic Development Corporation, Lake Superior Conference Room, 300 N. Washington Square, Lansing, Michigan 48913.

**MEMBERS PRESENT:** Ruth Duquette [acting for and on behalf of John Nixon, designation attached], Tim Herman, Mike Jackson, Andrew Lockwood [acting for and on behalf of Andy Dillon, designation attached], Bill Martin, Mark Morante [acting for and on behalf of Michael Finney, designation attached]

**MEMBERS ABSENT:** Cullen DuBose

**CALL TO ORDER:** The meeting was called to order at 11:30 a.m.

**APPROVAL OF THE MINUTES:** Mr. Morante asked for a motion to approval the April 17, 2012 meeting minutes. **Mr. Martin motioned approval for the April 17, 2012 MEGA Proposed Meeting Minutes. Mr. Herman seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

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

**EXECUTIVE COMMITTEE REPORT:** Mr. Morante asked Ms. Campbell if the Executive Committee had reviewed the projects on the agenda. Ms. Campbell replied affirmatively that the Executive Committee recommended approval of the agenda items being presented to the Board.

**PROPOSED ACT 381 WORK PLAN APPROVALS**

**Resolution 2012-021 – Emergent BioSolutions Redevelopment Project**

*Daniel Wells, Program Specialist–Brownfields, provided background information on this action item and introduced guests: Mike Wessman, Senior Project Engineer, Emergent BioSolutions; Dino Muzzin, Senior Director, Engineering & Facilities, Emergent BioSolutions; Mark Alley, Senior Director, Global Protective Services & Public Affairs, Emergent Biosolutions; Karl Dorshimer, President & CEO, Lansing EDC; Bret Stuntz; Project Manager, AKT Peerless*

Mr. Wells provided the Board with an overview of the project. The project will expand and upgrade the Emergent BioSolutions campus. The project includes the construction of a new 33,000 square foot administration building and campus-wide infrastructure improvements. Demolition activities include complete demolition of one building and selective interior demolition in eight buildings.

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

**Board Discussion:** Mr. Morante asked if there were any questions from the Board. There being none, **Mr. Lockwood motioned approval for Resolution 2012-021. Mr. Herman seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

**Resolution 2012-022 – 2021 and 2025 Water Street Redevelopment Project**

*Mr. Wells provided background information on this action item and introduced guests: Don Schappacher, Developer, OHMI Port Huron, LLC; Bret Stuntz, Project Manager, AKT Peerless*

Mr. Wells provided the Board with an overview of the project. The project will redevelop the vacant and functionally obsolete City Marina in the City of Port Huron on approximately 26 acres of property located

at 2021 and 2025 Water Street. This is a phased development with Phase I being the new construction of a 3-story, 98-room Holiday Inn Express and Suites Hotel, Phase II is a new restaurant development and Phase III is the redevelopment of the marina. The project includes abating asbestos within, and subsequently demolishing the existing buildings. New public water line infrastructure improvements will be built to support the development. Site reparation activities include removal of some soils, installing special foundations due to unstable soils, clearing and grubbing, establishing temporary construction facilities and relocation of storm sewers.

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

**Board Discussion:** Mr. Morante asked if there were any questions from the Board. Mr. Martin inquired if there would be other opportunities for the 26 acre redevelopment. Mr. Shophopper explained that the marina encompassed 15 acres of the site, which would not leave much to develop. Mr. Stuntz explained that this particular development would act as a gateway to the City. There being no further questions, **Mr. Jackson motioned approval of Resolution 2012-022. Ms. Duquette seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

#### **Resolution 2012-023 – M2 Enterprises Coldwater LLC Project**

*Mary Kramer, Project Specialist, provided background information on this project and introduced guests: Michael Miller, Managing Partner, M2Enterprises Coldwater; Bret Stuntz, Project Manager, AKT Peerless.*

Ms. Kramer provided the Board with an overview of the project. The project will redevelop a site that has been vacant for 35 years. It will entail the development of a new 3,954 square foot Culver's restaurant on approximately 1.5 acres. The project will create an infill development on an empty lot to complement other similar developments. The project also includes site preparation and construction of public infrastructure.

**Recommendation:** Staff recommends approval of local and school tax capture for the MEGA eligible activities. Ms. Kramer further explained the project is contingent upon the applicant submitting documentation that M2 Enterprises Coldwater, LLC has acquired the property and the acquisition must occur prior to reimbursement for eligible activities.

**Board Discussion:** Mr. Morante asked if there were any questions from the Board. Mr. Morante asked if the applicant would be filing for a 504 status. Mr. Miller answered affirmatively. There being no further questions, **Mr. Martin motioned approval for Resolution 2012-023. Ms. Duquette seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

#### **Resolution 2012-024 – Wolf River Development Company 514, LLC Project**

*Ms. Kramer provided background information on this project and introduced guests: Dale Inman, Managing Partner, Wolf River Development Company 514; Mike Dowdle, Manager, Wolf River Development Company; Brett Stuntz, Project Manager, AKT Peerless*

Ms. Kramer provided the Board with an overview of the project. The project will be the redevelopment of 514 Michigan Avenue in East Lansing. The current building will be demolished and a new four-story, 23,200 square foot mixed-use building will be constructed. The building will be constructed on approximately .33 acres of property and will consist of 1,200 square feet of commercial space and the remaining will be residential units. The project also includes lead and asbestos abatement, site preparation and construction of public infrastructure.

**Recommendation:** Staff recommends approval of local and school tax capture for the MEGA eligible activities. Ms. Kramer further advised the Board that for the school tax capture to occur on this project, the applicant shall submit documentation that Wolf River Development Company 514, LLC has acquired the property.

**Board Discussion:** Mr. Morante asked if there were any questions from the Board. There being none, **Mr. Jackson motioned approval for Resolution 2012-024.** **Mr. Herman seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

### **PROPOSED ACT 381 WORK PLAN AMENDMENT**

#### **Resolution 2012-025 – Former Showcase Cinema Brownfield Redevelopment Project**

*Ms. Kramer provided background information on this action item.*

Ms. Kramer provided the Board with an overview of the project. The original project was approved on February 15, 2011 and activities included demolition of the vacant 49,822 square foot former Showcase Cinema building in Westland, Michigan. The amendment is to include an additional two parcels of property to the Brownfield and work plan. The developer intends to demolish a former church and an adjacent residential structure and construct a secondary ingress and egress drive. The new drive will be constructed across the two parcels in order to provide secondary access to the original parcel of property. This will result in improved traffic safety. The additional MEGA eligible activities include demolition and removal of buildings and site improvements including asbestos abatement.

**Recommendation:** Staff recommends approval of an amendment to the project to provide for an increase in local and school tax capture for the MEGA eligible activities. Ms. Kramer further stated that in order for school tax capture to occur on this project, no future proposed development may be added or altered before June 30, 2014 without the consent of the MEGA Board Secretary.

**Board Discussion:** Mr. Morante asked if there were any questions from the Board. There being none, **Mr. Herman motioned approval for Resolution 2012-025.** **Mr. Martin seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

### **PROPOSED HIGH-TECH MEGA AMENDMENT**

#### **Resolution 2012-026 – ESI North America**

*LeTasha Peebles, Program Specialist, provided background information on this action item.*

Ms. Peebles advised the Board that on November 24, 2008, the MEGA Board approved a 10-year, 100 percent High Tech MEGA Tax Credit to ESI North America, Inc. amended by Resolution 2010-177 on October 26, 2010 and Resolution 2011-120 on October 18, 2011. The project has resulted in the creation of jobs in the City of Bloomfield Hills. The MEGA credit, as amended, was awarded for up to 110 Qualified New Jobs. ESI is now working with the US Federal Government to complete secured engineering service work. As a result they have created ESI US, Inc. and currently have four employees working under this entity at the project location. The company will be creating additional jobs under this new entity which became effective on February 1, 2012.

**Recommendation:** Staff recommends amending the agreement to include the additional entity of ESI US, Inc. to be included toward the Base and Qualified New Jobs. All other terms and conditions of the original MEGA remain intact.

**Board Discussion:** Mr. Morante asked if there were any questions from the Board. There being none, **Mr. Lockwood motioned approval for Resolution 2012-026.** **Ms. Duquette seconded the motion.** The motion carried – 6 ayes; 0 nays; 0 recused; 1 absent.

Meeting adjourned at 11:55 a.m.



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

JOHN E. NIXON, CPA  
DIRECTOR

March 10, 2011

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

To Whom It May Concern:

I hereby designate Ruth Duquette, Office of Financial Management, State Budget Office, to represent me at the Michigan Economic Growth Authority Board meetings when I am unable to attend.

Sincerely,

A handwritten signature in black ink, appearing to read "JEN".

John E. Nixon, CPA  
State Budget Director  
Director, Department of Technology, Management and Budget



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

February 14, 2012

Ms. Ellen Graham  
Board Relations Liaison  
MEGA Office  
300 N. Washington Square  
Lansing, Michigan 48913

Dear Ms. Graham:

I hereby designate Andrew Lockwood to represent me at MEGA Board meetings I am unable to attend.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Dillon".

Andy Dillon  
State Treasurer

cc: Andrew Dillon



May 23, 2012

Ms. Ellen Graham  
Board Relations Liaison  
Michigan Strategic Fund Board  
300 N. Washington Square  
Lansing, MI 48913

Dear Ms. Graham:

I hereby designate Mark Morante, Senior Vice President, Program Management, to represent me at the Michigan Strategic Fund Board meetings when I am unable to attend.

Sincerely,

*Michael A. Finney*  
Michael A. Finney  
President and CEO