

**MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
MAY 5, 2009**

ADOPTED MEETING MINUTES

A special meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, May 5, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq. N., Lansing, Michigan.

MEMBERS PRESENT: Douglas Buckler; Baldomero Garcia; Greg Main; Susan Corbin (acting on behalf of Stanley "Skip" Pruss, authorization attached); Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached); Michael Kapp (acting on behalf of Kirk Steudle, authorization attached)

MEMBERS ABSENT: Cullen DuBose; Faye Alexander Nelson

CALL TO ORDER: Mr. Main called the meeting to order at 1:37 p.m.

APPROVAL OF MINUTES: Mr. Main asked for a motion to approve the April 14, 2009 meeting minutes. **Mr. Garcia motioned approval of the minutes. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent

PUBLIC COMMENT: Mr. Main announced today was a special day with special circumstances. He noted one of the agenda items continued to take advantage of the Michigan Battery Credit opportunities.

Mr. Main asked if there was any other public comment. There was no public comment.

PROPOSED RETENTION/ANCHOR/BROWNFIELD CREDITS:

Resolutions 2009-076, 2009-077, 2009-078 & 2009-079: Ford Motor Company

Karen Lee, MEDC Business Development Manager, provided background information for this action and introduced presenters: Jim Pacquet, Wayne County; Peter McInerney, Community Development Director for the City of Wayne; Richard Barr, Honigman, Miller, Schwartz and Cohn; Kathleen McIntyre, Ford Motor Company; Gabby Bruno, Ford Motor Company.

Ms. Bruno thanked the MEDC and spoke about the project and how excited she was for the City of Wayne and Wayne County. Ms. Bruno explained that Ford is considering a significant investment at the Michigan Assembly Plant (former Michigan Truck Plant) which is located in Wayne, Michigan. The investment would convert the plant, which previously manufactured large body-on-frame products (Expedition/Navigator), into a state of the art flexible production platform. Ms. Bruno added that if the investment went forward the first vehicle produced could roll off the assembly line as early as late 2010. Mr. McInerney stated that it was rare for the city council to make unanimous decisions and added that he was pleased to report that a tax abatement had been approved. He then mentioned that a copy of that resolution was present.

Amy Deprez, MEDC Packaging Manager, provided additional information for the project.

Recommendation: MEDC staff recommends up to a 100 percent retention employment tax credit for 10 years for up to 4,700 retained employees at the Michigan Assembly and Wayne Stamping facilities. Provided that: 1) Ford amends the Multi Site MEGA, approved in August 2006, to exclude the Michigan Truck facility from the qualified sites; 2) In addition, Ford must agree to set aside the Wayne Facility Site MEGA, approved in November 2003, upon activation of the Michigan Assembly MEGA being approved today; and 3) Ford agrees to retain a minimum of 1,800 jobs by the end of the first year of operations in order to activate the credit. (2009-076). Further, MEDC staff recommends approval of an Anchor New Jobs designation for the maximum designation of 5 years. (2009-077)

The Brownfield Redevelopment staff recommends approval of local and school tax capture for the eligible activities totaling \$6,403,500, described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$5,571,045. (2009-078). Staff also recommends approval of a 12.5% MBT Brownfield Credit, not to exceed \$30,000,000. (2009-079)

Peter Anastor, MEDC Community and Urban Development Manager, explained to the Board that there were four actions for this project, each needing a separate vote.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention/Anchor/Brownfield Credits 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 2009-076. Mr. Lockwood seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-077. Mr. Kapp seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-078. Mr. Garcia seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. Mr. Main asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2009-079. Mr. Lockwood seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent.

Mr. Buckler asked the staff from Ford to carry a message back to the company that they should consider hiring Michigan workers and contractors for all future purchases and investments.

PROPOSED PLUG-IN ELECTRIC VEHICLE ENGINEERING MBT AMENDMENT:

Resolution 2009-080: Ford Motor Company

Valerie Hoag, MEDC Director of Portfolio Management and Packaging, provided information for this action. The MEGA Board approved a Plug-In Electric Vehicle Engineering MBT credit for Ford Motor Company in the amount not to exceed \$25,000,000 on February 17, 2009. The credit was approved to support Ford's initiatives toward the electrification of vehicles and advanced battery technology. Ford's strategy involves three types of vehicles – Battery Electric Vehicle (BEV), Hybrid Electric Vehicle (HEV) and Plug-In Hybrid Electric Vehicle (PHEV) – to provide customers with significant fuel economy improvements and improve CO2 emissions.

In April 2009, MCL 208.1434 was amended granting the MEGA Board the authority to award an additional \$20,000,000 of tax credits for qualified Plug-In Electric Vehicle Engineering expenses. Ford's original request was for an amount not to exceed \$25,000,000 and is requesting the entire allocation from their original request.

Recommendation: The MEDC staff recommends the approval of the amendment to increase the Plug-In Electric Vehicle Engineering MBT credit for Ford from a total amount not to exceed \$25,000,000 to \$45,000,000.

Board Discussion: Mr. Garcia gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Amendment and recommends approval. Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-080. Mr. Buckler seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 2 absent. Mr. Main thanked everyone and mentioned that the regular MEGA Board meeting for May would have a packed agenda.

ADJOURNMENT: The meeting was adjourned by Greg Main at 1:53 p.m.