

**MICHIGAN STRATEGIC FUND BOARD**  
**December 16, 2009**

**ADOPTED MEETING MINUTES**

A meeting of the Michigan Strategic Fund (MSF) Board was held on Wednesday, December 16, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq., Lansing, Michigan.

**MEMBERS PRESENT:** Susan Corbin (acting on behalf of Stanley “Skip” Pruss, authorization attached); Paul E. Hodges, III (via telephone); George Jackson; Robert J. Kleine; Greg Main; Mitch Mondry; Richard Rassel; Charles Rothstein

**MEMBERS ABSENT:** Linda Ewing; James Herbert; James Petcoff

**CALL TO ORDER:** Mr. Main called the meeting to order at 1:33 p.m. Mr. Main stated that a new item had been added to the agenda; agenda item F-4a, to be presented by Kevin Bonds, MEDC Business and Community Services Manager, and that agenda item C-2 had been pulled from the original agenda.

**APPROVAL OF MINUTES:** Mr. Main asked for a motion to approve the November 18, 2009 meeting minutes. **Treasurer Kleine motioned approval of the minutes. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent

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

**COMMUNICATION ITEMS:** Nathan Ohle, MEDC Board Relations Liaison, advised the Board that he had received recusal letters from Richard Rassel, George Jackson and Robert Kleine for items on the agenda.

**21<sup>st</sup> CENTURY JOBS FUND:**

**Resolution 2009-195: MCSP – Maverick Industries, Inc. (Maverick)**

*Paul Brown, MEDC Capital Markets Development Manager, provided information about the action.*

Mr. Brown indicated that the MSF Board had previously approved Maverick Industries, Inc.’s request for collateral support for \$1,960,000 of a total \$4,000,000 loan through MABC Loans, LLC. Maverick has since changed lenders to Hillsdale County National Bank (HCNB) with the prospect of a speedier closing. HCNB has also increased the loan amount to \$4,050,000 with no additional funds coming from the MSF.

**Recommendation:** MEDC Staff recommends that the MSF modify the September 30, 2009 approval to reflect Hillsdale County National Bank as the “Lender” in the request, subject to due diligence, execution of a Deposit Agreement and execution of a MEGA Match Agreement.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-195. Treasurer Kleine seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-196: MCSP – Production Engineering, Inc.**

*Paul Brown provided information about the action.*

Mr. Brown indicated that Production Engineering, Inc. requested \$1,996,800 for collateral support of a total \$4,290,000 loan through Bank of America. Mr. Brown indicated that Production Engineering has successfully diversified from an almost exclusive auto industry focus into the military, agriculture and heavy equipment sectors. Through the company’s expansion efforts, they have been in final negotiations to purchase Wiza Industries, based in Muskego, Wisconsin. The potential acquisition would result in the creation of 50-60 new additional jobs.

**Recommendation:** MEDC Staff recommends the MSF Board approve \$1,996,800 in collateral support for Production Engineering, Inc. subject to final due diligence and execution of a Deposit Agreement.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. *Mr. Kleine asked if the 50-60 jobs would enable the company to hire back workers that had been previously laid off. Mr. Brown indicated that it would.* Being no more questions, **Mr. Rassel made a motion for approval of Resolution 2009-196. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

### **Credit Suisse Quarterly Update**

*Paul Brown introduced the guest speakers for this information item: Bob Payne, Manager, Michigan Office, Customized Fund Investment Group; and Sean O'Donnell, Michigan In-State Investment Specialist, Customized Fund Investment Group.*

Mr. Payne indicated that Customized Fund Investment Group (CFIG) had committed \$109 million to twelve fund managers and one co-investment opportunity making the fund fully invested. Mr. Payne also indicated that the portfolio had invested in twelve Michigan companies, and that CFIG expected more activity in the coming months. Mr. O'Donnell indicated that CFIG had participated in 68 conferences since the program's inception, and that they were continually meeting with companies and potential investors about the program. Mr. Payne notified the Board that one of the prior investments, Peninsula Fund IV, had decided not to take the commitment previously authorized by the Board. Mr. Payne indicated that Peninsula's LPs decided that the side letter for the investment would require would be too restricting, specifically the requirement to invest at least the amount coming from the MSF Board in Michigan based companies.

*Mr. Rassel asked if Peninsula had given any suggestions on how in the future the MSF Board might be able to participate in their fundraising. Mr. Payne indicated that Peninsula's LPs questioned why they would have to abide by the side letter provision from MSF, but not for other State funds that had contributed to the fund. Mr. Kleine asked if Credit Suisse would be returning with a potential investment for the \$14.5 million that will not be invested in Peninsula. Mr. Payne indicated that they would be meeting with several prospects over the next couple of weeks and that they hoped to have a recommendation in January. Mr. Mondry asked if Peninsula was the first company to turn down money from the MSF. Mr. Payne responded that Peninsula was the first company that MSF had actually made an award to, but that several funds had declined to even pursue a commitment because of the restrictions. Mr. Rothstein asked what the penalty was if a fund did take money from MSF and did not comply with the side letter requirements. Mr. Payne responded that the fund would then be in default and could potentially be forced to give the money back plus interest. Mr. Rothstein asked how the investments made were monitored to ensure that they were complying with the side letter provisions. Mr. Payne responded that Credit Suisse is in constant contact with each fund, and that they had a meeting that morning with one of the funds that received an investment to ensure that they were doing the proper diligence on Michigan companies in order to make investments. Mr. Main indicated that the MEDC is active in showing these funds potential Michigan companies for investment and that he expected to see more activity in the near future.*

### **Portfolio Update**

*Leslie Smith, MEDC Director of Business Acceleration provided information for this information item.*

Ms. Smith gave an updated presentation on the MSF Board's investment portfolio.

**PRIVATE ACITIVITY BONDS – ISSUING:**

**Resolution 2009-197: CFP Michigan, LLC – (Bay City, Bay County) – New Financing/Nonprofit**

*Diane Cranmer, MEDC IDR Specialist, provided information about the action.*

Ms. Cranmer indicated that this project had been approved at the October MSF Board Meeting with the resolution expiring on November 25, 2009. The financing of the project did not occur by that date primarily because the bonds were not rated, and the underwriter was unable to proceed with the marketing of the bonds. CFP has changed underwriters, with the only major change being that the issue will mature over 30 years, rather than 20 years as previously proposed.

**Recommendation:** MEDC Staff recommends the adoption of the Bond Authorizing Resolution in the amount of NTE \$6,500,000.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-197. Treasurer Kleine seconded the motion.** Trace Cooley, MEDC Legal Administrative Assistant, took a Roll-Call Vote.

**Roll Call:**     **Ayes:** Susan Corbin; Paul E. Hodges, III; George Jackson; Robert J. Kleine; Greg Main; Mitch Mondry; Richard Rassel; Charles Rothstein  
                  **Nays:** None  
                  **Recused:** None  
                  **Absent:** Linda Ewing; James Herbert; James Petcoff

The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolutions 2009-198 and 2009-199: Holland Home – (Grand Rapids, Kent County) – Amendment/Reissuance Series 2005A and 2005B -- Nonprofit**

*Diane Cranmer provided information about the action.*

Ms. Cranmer indicated that Holland Home has requested that the Bank purchase all of the outstanding Series 2005 Bonds and hold the Bonds for an initial Bank Purchase Rate Period of approximately three years.

**Recommendation:** MEDC Staff recommends the adoption of the Resolutions approving the Amended and Restated Bond Trust Indenture and the First Amendment to Loan Agreement for both the Series 2005A and Series 2005B bonds.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolutions 2009-198 and 2009-199. Mr. Mondry seconded the motion.** Trace Cooley took a Roll-Call Vote.

**Roll Call:**     **Ayes:** Susan Corbin; Paul E. Hodges, III; George Jackson; Robert J. Kleine; Greg Main; Mitch Mondry; Richard Rassel; Charles Rothstein  
                  **Nays:** None  
                  **Recused:** None  
                  **Absent:** Linda Ewing; James Herbert; James Petcoff

The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[**RECUSED:** Richard Rassel]

**Resolution 2009-200: Waste Management, Inc. –Reissuance Series 2004 – Solid Waste**

*Diane Cranmer provided information about the action.*

Ms. Cranmer indicated that Waste Management, Inc. (WMI) has requested that the MSF approve an amendment to the Indenture relating to the 2004 Bonds for the principal purpose of adding a new 6-month interest rate period. The amendment will effectively cause a reissuance of the outstanding \$13,000,000 principal amount.

**Recommendation:** MEDC Staff recommends the adoption of the Resolution approving the Amendment to the Indenture.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-200. Treasurer Kleine seconded the motion.** Trace Cooley took a Roll-Call Vote.

**Roll Call:**     **Ayes:** Susan Corbin; Paul E. Hodges, III; George Jackson; Robert J. Kleine; Greg Main; Mitch Mondry; Charles Rothstein  
                  **Nays:** None  
                  **Recused:** Richard Rassel  
                  **Absent:** Linda Ewing; James Herbert; James Petcoff

The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-201: St. Catherine of Siena Academy – (Wixom, Oakland County) – NTE \$28,005,000 – New/Non-Profit**

*Diane Cranmer provided information about the action.*

Ms. Cranmer indicated that the project for St. Catherine of Siena Academy was approved at the September and November MSF Board Meetings, and that the Bond Authorizing Resolution would expire on December 18, 2009. Ms. Cranmer indicated that the financing would not be able to close by December 18 because the potential bond purchasers may require additional time for due diligence.

**Recommendation:** MEDC Staff recommends the adoption of the Bond Authorizing Resolution for this project in the amount of NTE \$28,005,000.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Jackson made a motion for approval of Resolution 2009-201. Treasurer Kleine seconded the motion.** Trace Cooley took a Roll-Call Vote.

**Roll Call:**     **Ayes:** Susan Corbin; Paul E. Hodges, III; George Jackson; Robert J. Kleine; Greg Main; Mitch Mondry; Charles Rothstein  
                  **Nays:** None  
                  **Recused:** Richard Rassel  
                  **Absent:** Linda Ewing; James Herbert; James Petcoff

The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

[RETURNED: Richard Rassel]

**RENAISSANCE ZONES:**

**Resolution 2009-202: Renaissance Zone Development Agreement Repayment Provision**

*Kevin Bonds, MEDC Business and Community Services Manager provided information for this action.*

Mr. Bonds indicated that several companies had recently brought to staff's attention that the language in the Renaissance Zone Development Agreement is inconsistent with provision from other programs, and that it disproportionately placed risk on the company even after their investment or job creation. Staff would like to be as consistent as possible when negotiating with companies, and agrees the current provision may require companies to carry a large potential liability on their books which may negatively impact their financing.

**Recommendation:** MEDC Staff recommends MSF approval of language to be included in all new Renaissance Zone Development Agreements to clarify the scope of the remedy in the event of default.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-202. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[RECUSED: George Jackson & Richard Rassel]

**Resolution 2009-203: Time Extension – City of Detroit, Wayne County, City of Detroit Renaissance Zone, Southwest/Delray Subzone – Ohio Module Manufacturing Company, LLC (OMMC)**

*Kevin Bonds provided information for the action item and introduced guest presenters for this project: Tom Cousino, OMMC Plant Manager; Scott Patterson, OMMC Accountant; Jerry Rush, OMMC Senior Director of Government and Community Relations; Octavio Williams, OMMC Manager of State and Local Taxes; and Tracie Tillinger, DEGC Manager of Business Attraction.*

Mr. Bonds indicated that Chrysler awarded OMMC new business and OMMC will supply chassis components from this facility. The City of Detroit, supported by Wayne County is requesting a modification to the Southwest/Delray subzone in the City of Detroit Renaissance Zone. There are two years remaining on the parcels, and the time extension is for five years, bringing the total to seven years. All other properties located in the subzone will expire on December 31, 2011.

*Treasurer Kleine asked what the specific reason was for the time extension. Mr. Rush responded that the new contract with Chrysler was the reason for the time extension and that the benefits of the time extension would allow the company to complete the new work.*

**Recommendation:** MEDC Staff recommends MSF approval of the City of Detroit’s request for a five (5) year time extension (contingent upon criteria listed in the briefing memo).

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-203. Mr. Mondry seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 2 recused; 3 absent.

**Resolution 2009-204: Time Extension – City of Detroit, Wayne County, City of Detroit Renaissance Zone, Lynch Road Subzone – Detroit Chassis, LLC**

*Kevin Bonds provided information for the action item and introduced the guest presenters: Kenyetta Bridges, DEGC Manager of Business Development; Michael Guthrie, President, Detroit Chassis; and Beth Gotthelf, Butzel Long.*

Mr. Bonds indicated that Detroit Chassis has secured a contract to provide 100 transit bus and shuttle chassis’. As a result of this diversification, the company has secured other smaller contracts, and is finalizing the renewal of its contract with Ford Motor Company for chassis assembly. The City of Detroit, supported by Wayne County is requesting a modification to the Lynch Road subzone in the City of Detroit Renaissance Zone.

*Mr. Guthrie indicated that the RV and Shuttle Bus chassis industry has been hit by a “perfect storm”, and that the company’s volume production has dropped from 12,000 units per year to 3,000 units per year. Mr. Guthrie continued by stating that the company needed and was able to achieve the renewal of the contract with Ford. Treasurer Kleine asked how many jobs the company had cut so far, and if those employees would be hired back as a result of the new contracts. Mr. Guthrie responded that around 200 employees were currently laid off, and that they hoped to recall all of those employees, plus add additional jobs.*

**Recommendation:** MEDC Staff recommends MSF approval of the City of Detroit’s request for a twelve (12) year time extension (contingent upon criteria listed in the briefing memo).

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-204. Mr. Mondry seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 2 recused; 3 absent.

**Resolution 2009-205: Time Extension – City of Detroit, Wayne County, City of Detroit Renaissance Zone, Livernois Interval Subzone – DCI Aerotech, a Division of Detroit Chrome, Inc.**

*Kevin Bonds provided information for the action item and introduced guest presenters: Kenyetta Bridges, DEGC Manager of Business Development; Bill Dillon, DEGC Business Development Specialist; and Matt Howell, DCI CFO.*

Mr. Bonds indicated that DCI Aerotech (DCI) is proposing to make a significant investment in new processes for the aerospace industry. These processes would allow DCI to become a turn-key vendor for many customers. DCI anticipates investing \$5 million over the next five years, creating 20-30 new positions. The City of Detroit, supported by Wayne County is requesting a modification to the Livernois Interval subzone in the City of Detroit.

**Recommendation:** MEDC Staff recommends MSF approval of the City of Detroit's request for a twelve (12) year time extension (contingent upon criteria listed in the briefing memo).

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-205. Ms. Corbin seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 2 recused; 3 absent.

[RETURNED: George Jackson & Richard Rassel]

**Resolution 2009-206: New Subzone – City of Lansing, Ingham County, City of Lansing Renaissance Zone – Phoenix Development Partners, LLC**

*Kevin Bonds provided information for the action item and introduced guest presenters: Steve Hess, EVP and General Counsel, Accident Fund; Steve Reynolds, VP, Accident Fund; and Anthony Pecchio, Development Manager, The Christman Company.*

Mr. Bonds indicated that Phoenix Development Partners is developing a project that will consist of the purchase, remediation and redevelopment of the former Ottawa Power Station for the Accident Fund Insurance Company. The Accident Fund will invest \$94 million and retain 632 jobs as a result of this project. The City of Lansing, supported by Ingham County is requesting a modification to the City of Lansing Renaissance Zone in the.

*Mr. Main pointed out that the negotiations for this project and its incentives were concluded a while ago, but this request was not able to be brought to the Board before now while other matters were concluded.*

**Recommendation:** MEDC Staff recommends MSF approval of the City of Lansing's request for a new subzone for fifteen (15) years (contingent upon criteria listed in the briefing memo).

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-206. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**TOOL & DIE RECOVERY ZONES:**

**Resolution 2009-207: New Tool & Die Recovery Zone – Strategic Tooling Solutions**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a request for a new Tool & Die Recovery Zone for Strategic Tooling Solutions. The application identifies 10 companies that have signed a qualified collaborative agreement, three of which are requesting an 8 year Recovery Zone designation, while the remaining 7 are requesting a 15 year Recovery Zone designation.

**Recommendation:** MEDC Staff recommends MSF approval of a new Tool & Die Recovery Zone designation for Strategic Tooling Solutions.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-207. Mr. Rothstein seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-208: New Tool & Die Recovery Zone – Michigan Adaptive Coalition**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a request for a new Tool & Die Recovery Zone for Michigan Adaptive Coalition. The application identifies 12 companies that have signed a qualified collaborative agreement, with one eligible company requesting a 15 year Recovery Zone designation. The remaining companies are already designated as Recovery Zones pursuant to another qualified collaborative agreement.

**Recommendation:** MEDC Staff recommends MSF approval of a new Tool & Die Recovery Zone designation for Michigan Adaptive Coalition.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-208. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-209: Join Existing Tool & Die Recovery Zone – Lomar Machine & Tool Company – City of Horton, Jackson County, to join the Automation & Tooling Alliance of North America**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that staff has received a request from Lomar Machine & Tool Company to join the Automation & Tooling Alliance of North America. There was a unanimous vote by Automation & Tooling Alliance of North America to accept Lomar Machine & Tool Company as a member.

**Recommendation:** MEDC Staff recommends MSF approval for the property of Lomar Machine & Tool Company to be designated as a Recovery Zone and for the company to join the Automation & Tooling Alliance of North America.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-209. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-210: Join Existing Tool & Die Recovery Zone – Digitrace, Ltd. – City of Wayland, Allegan County, to join the Central Michigan Collaborative**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that staff has received a request from Digitrace, Ltd to join the Central Michigan Collaborative. There was a unanimous vote by Central Michigan Collaborative to accept Digitrace, Ltd. as a member.

**Recommendation:** MEDC Staff recommends MSF approval for the property of Digitrace, Ltd. to be designated as a Recovery Zone and for the company to join the Central Michigan Collaborative.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-210. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-211: Join Existing Tool & Die Recovery Zone – Paragon Die & Engineering Company – Cascade Charter Township, Kent County, to join the West Michigan Tooling Coalition**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that staff has received a request from Paragon Die & Engineering Company to join the West Michigan Tooling Coalition. There was a unanimous vote by West Michigan Tooling Coalition to accept Paragon Die & Engineering Company as a member.

**Recommendation:** MEDC Staff recommends MSF approval for the property of Paragon Die & Engineering Company to be designated as a Recovery Zone and for the company to join the West Michigan Tooling Coalition contingent upon criteria listed in the briefing memo.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-211. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[**RECUSED:** Richard Rassel]

**Resolution 2009-212: New Tool & Die Recovery Zone – Third Coast Tooling Alliance, LLC**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a request for a new Tool & Die Recovery Zone for Third Coast Tooling Alliance, LLC. The application identifies 14 companies (but 15 locations) that have signed a qualified collaborative agreement, eight of which are requesting a 5 year Recovery Zone designation, one company requesting a 6 year Recovery Zone designation, five companies requesting a 10 year Recovery Zone designation, while the remaining company is requesting a 15 year Recovery Zone designation.

**Recommendation:** MEDC Staff recommends MSF approval of a new Tool & Die Recovery Zone designation for Third Coast Tooling Alliance, LLC.

*Treasurer Kleine asked how staff distinguishes between which companies get certain number of years to be designated. Margaret O'Reilly, representing Third Coast, responded that each request was dependant on the local community approving the length of the communities designation. Ms. O'Reilly continued by stating that each company requests 15 years, but some counties will not approve the full 15 years.*

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-212. Mr. Mondry seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-213: Join Existing Tool & Die Recovery Zone – Schwab Industries, Inc. – Shelby Township, Macomb County, to join the Global Tooling Alliance**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that staff has received a request from Schwab Industries, Inc to join the Global Tooling Alliance. There was a unanimous vote by Global Tooling Alliance to accept Schwab Industries, Inc. as a member.

**Recommendation:** MEDC Staff recommends MSF approval for the property of Schwab Industries, Inc. to be designated as a Recovery Zone and join for the company to the Global Tooling Alliance.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-213. Mr. Jackson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-214: Join Existing Tool & Die Recovery Zone – Fori Automation, Inc. – Shelby Township, Macomb County, to join the Global Tooling Alliance**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that staff has received a request from Fori Automation, Inc to join the Global Tooling Alliance. There was a unanimous vote by Global Tooling Alliance to accept Fori Automation, Inc. as a member.

**Recommendation:** MEDC Staff recommends MSF approval for the property of Fori Automation, Inc. to be designated as a Recovery Zone and for the company to join the Global Tooling Alliance (contingent upon criteria listed in the briefing memo).

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-214. Mr. Jackson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-215: Time Extension Request – JeMar Tool, Inc. – Shelby Township, Macomb County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a new resolution from Shelby Township approving an extension of the existing Recovery Zone designation for JeMar Tool, Inc. for an additional five-year period, for a combined total of 10 years, with a new expiration date of 2017.

**Recommendation:** MEDC Staff recommends the MSF extend the Recovery Zone duration on the parcels of property designated for JeMar Tool, Inc. at 51268 Fischer Park Drive, Shelby Township, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-215. Mr. Rothstein seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-216: Time Extension Request –Tri-Way Mold & Engineering, Inc. – City of Roseville, Macomb County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a new resolution the company obtained from the City of Roseville approving an extension of the original five-year Recovery Zone designation for Tri-Way Mold & Engineering, Inc. for an additional five-year period, for a total of 10 years, with a new expiration date of 2015.

**Recommendation:** MEDC Staff recommends the MSF extend the Recovery Zone duration on the parcels of property previously designated for Tri-Way Mold & Engineering, Inc. at 15363 E. 12 Mile Road, Roseville, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-216. Mr. Rothstein seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-217: Time Extension Request –True Industries, Inc. – City of Roseville, Macomb County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a new resolution the company obtained from the City of Roseville approving the extension of the original five-year Recovery Zone designation for True Industries, Inc. for an additional five-year period, for a total of 10 years, with a new expiration date of 2017.

**Recommendation:** MEDC Staff recommends the MSF extend the Recovery Zone duration on the parcels of property previously designated for True Industries, Inc. at 15300 E. 12 Mile Road, Roseville, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-217. Mr. Rothstein seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-218: Time Extension Request – Midwest Mold Services, Inc. – City of Roseville, Macomb County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received a new resolution the company obtained from the City of Roseville approving the extension of the original five-year Recovery Zone designation for Midwest Mold Services, Inc. for an additional four-year period, for a total of 10 years, with a new expiration date of 2016.

**Recommendation:** MEDC Staff recommends the MSF extend the Recovery Zone duration on the parcels of property previously designated for Midwest Mold Services, Inc. at 29900 Hayes Road, Roseville, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-218. Mr. Rothstein seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-219: Revocation of an Existing Tool & Die Recovery Zone – Ronart Industries, Inc. – City of Detroit, Wayne County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received written notification from the Recovery Zone contact person that Ronart Industries, Inc. has gone out of business.

**Recommendation:** MEDC Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Ronart Industries, Inc., located at 19365 Sherwood Street, Detroit, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-219. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-220: Revocation of an Existing Tool & Die Recovery Zone – Euro Tech Industries, LLC – Clinton Township, Macomb County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received written notification from the Recovery Zone contact person that Euro Tech Industries, LLC has gone out of business.

**Recommendation:** MEDC Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Euro Tech Industries, LLC, located at 24300 Capital Blvd., Clinton Township, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-220. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-221: Revocation of an Existing Tool & Die Recovery Zone – Metric Die & Engineering, Inc. – City of Grand Rapids, Kent County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received written notification from the Recovery Zone contact person that Metric Die & Engineering, Inc. has gone out of business.

**Recommendation:** MEDC Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Metric Die & Engineering, Inc., located at 320 Marion Avenue SW and 333 Fransman Place SW, Grand Rapids, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Hodges made a motion for approval of Resolution 2009-221. Mr. Rothstein seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**Resolution 2009-222: Revocation of an Existing Tool & Die Recovery Zone – Kammer Tool & Die, Inc. – City of Hudsonville, Ottawa County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received written notification from the Recovery Zone contact person that Kammer Tool & Die, Inc. has gone out of business.

**Recommendation:** MEDC Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Kammer Tool & Die, Inc., located at 2900 Highland Blvd., Hudsonville, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-222. Mr. Jackson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

[RETURNED: Richard Rassel]

**Resolution 2009-223: Revocation of an Existing Tool & Die Recovery Zone – Direct Tooling Group, Inc. – Leighton Township, Allegan County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received written notification from the Recovery Zone contact person that Direct Tooling Group, Inc. has gone out of business.

**Recommendation:** MEDC Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Direct Tooling Group, Inc., located at 1143 Electric Ave., Wayland, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-223. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-224: Revocation of an Existing Tool & Die Recovery Zone – Direct Tooling Group, Inc., 2<sup>nd</sup> Location – City of Grandville, Kent County**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Staff has received written notification from the Recovery Zone contact person that Direct Tooling Group, Inc. has gone out of business.

**Recommendation:** MEDC Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Direct Tooling Group, Inc., located at 3115 Dixie SW, Grandville, MI.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Corbin made a motion for approval of Resolution 2009-224. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[Susan Corbin and Charlie Rothstein left the Meeting]

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – DOWNTOWN DEVELOPMENT:**

**Resolution 2009-225: City of Fennville, Allegan County – Streetscape Improvement Project - \$500,000**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the City of Fennville has requested a \$500,000 CDBG to fund a widespread downtown streetscape improvement project.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$500,000 be authorized for the City of Fennville.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-225. Treasurer Kleine seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 5 absent.

**Resolution 2009-226: City of Hart, Oceana County – Streetscape Improvement Project - \$436,090**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the City of Hart has requested a \$436,090 CDBG to fund a downtown streetscape and improvement project.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$436,090 be authorized for the City of Hart.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-226. Treasurer Kleine seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 5 absent.

**Resolution 2009-227: Village of Mancelona, Antrim County – Downtown Façade Improvement - \$46,367**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the Village of Mancelona has requested a \$46,367 CDBG for façade improvements within their Downtown Development Authority District.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$46,367 be authorized for the Village of Mancelona.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-191. Mr. Jackson seconded the motion.** The motion carried unanimously – 6 ayes; 0 nays; 0 recused; 5 absent.

[Charlie Rothstein returns]

**Resolution 2009-228: City of Plainwell, Kalamazoo County – Blight Elimination Project - \$1,000,000**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the City of Plainwell has requested a \$1,000,000 CDBG for demolition of portions of the former paper mill in their downtown district to eliminate blighted and dangerous conditions.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$1,000,000 be authorized for the City of Plainwell.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-228. Mr. Rothstein seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused; 4 absent.

[Susan Corbin returns]

**Resolution 2009-229: City of Scottville, Mason County – Downtown Streetscape and Parking Improvement Project - \$457,382**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the City of Scottville has requested a \$457,382 CDBG to fund a widespread downtown streetscape and parking improvement project.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$457,382 be authorized for the City of Scottville.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-229. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[RECUSED: Robert Kleine]

**COMMUNITY DEVELOPMENT BLOCK GRANT – JOB CREATION/INFRASTRUCTURE:**

**Resolution 2009-230: Allegan County – Novo 1 Call Center Project -- \$1,000,000**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Allegan County has requested a \$1,000,000 CDBG to help the Novo 1 project. Novo 1 will create 250 jobs and invest \$1,867,500 in the City of Holland over the next two years. The City of Holland is a CDBG entitlement community, which means that at least 51% of the created jobs must be held by residents outside of the City of Holland.

*Mr. Rothstein asked if this was a relocation, and if so, why the company chose this particular location. Mr. Bonds responded that it was an expansion of their current business in Dallas, and that the company chose this location because it was close to a key customer.*

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$1,000,000 be authorized for Allegan County contingent upon HUD approval of this project in an entitlement community.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-230. Ms. Corbin seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

[RETURNED: Robert Kleine]

**Resolution 2009-231: Allegan County – Johnson Controls – Saft -- \$2,000,000**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that Allegan County has requested a \$2,000,000 CDBG to help the Johnson Controls-Saft project to repurpose an existing building into an advanced battery manufacturing facility to produce lithium-ion cells for automotive applications.. Johnson Controls-Saft will create 100 jobs and invest \$37,171,833 in the City of Holland over the next two years. The City of Holland is a CDBG entitlement community, which means that at least 51% of the created jobs must be held by residents outside of the City of Holland.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$2,000,000 be authorized for Allegan County contingent upon HUD approval of this project in an entitlement community.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-231. Mr. Rothstein seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-232: City of St. Ignace, Mackinac County, Downtown Signature Building Project -- \$270,000**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the City of St. Ignace has requested a \$270,000 CDBG to fund the acquisition of a vacant former grocery store. The project is expected to create 14 new jobs with private investment of \$700,000 over the next two years.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$270,000 be authorized for the City of St. Ignace.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-232. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**COMMUNITY DEVELOPMENT BLOCK GRANT – RECOVERY ACT:**

**Resolution 2009-233: City of Fennville, Allegan County – Water Main Extension Project -- \$3,800,000**

*Kevin Bonds provided information to the Board for the action item.*

Mr. Bonds indicated that the City of Fennville has requested \$3,800,000 in CDBG-R assistance for needed infrastructure improvements for a new water main.

**Recommendation:** MEDC Staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG-R program. Staff recommends that an application in the amount of \$3,800,000 be authorized for the City of Fennville.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-233. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**ADDITIONAL BUSINESS:** Mr. Ohle asked that the Board review and approve the 2010 MSF Board dates. **Treasurer Kleine motioned approval of the 2010 MSF Board Meeting dates. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent

Mr. Main asked if there was any additional business to discuss. Being none, Mr. Main thanked all those in attendance and adjourned the meeting at 2:59 p.m.