

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION



100 N. WASHINGTON SQ.  
ANN ARBOR, MI 48103

CUSTOMER  
CONTACT CENTER  
734 373 9808

WWW.MICHIGAN.ORG

Michigan Economic Growth Authority (MEGA)

Certificate

Resolution 2006-124

Brownfield Eligible Investment Policy

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN

Chair  
General Motors

HILIP H. POWER

Vice-Chair  
HCN, Inc.

AMES C. EPOLITO

President & CEO

RICHARD E. BLOUSE JR., CCE

Detroit Regional Chamber

JOHN W. BROWN

Stryker Corporation

DR. DAVID E. COLE

Center for  
Economic Research  
Saginaw Future Inc.

DR. HAIFA FAKHOURI

Arab American and  
Chaldean Council

STEVEN K. HAMP

Ford Motor Company

HAYDEN H. HARRIS

EDF Ventures

PAUL HILLEGONDS

DTE Energy Company

GEORGE JACKSON JR.

Detroit Economic Growth  
Corporation

MICHAEL J. JANDERNOA

Bridge Street Capital  
Partners, LLC.

ROBERT B. JONES

City of Kalamazoo

MARGIT M. KLOHS

The Right Place, Inc.

DR. THOMAS LEWAND

Bodman LLP

DR. IRVIN D. REID

Wayne State University

MICHAEL B. STAEBLER

Pepper Hamilton LLP

ROBERT W. SWANSON

Michigan Department of Labor  
& Economic Growth

DENNIS R. TOFFOLO

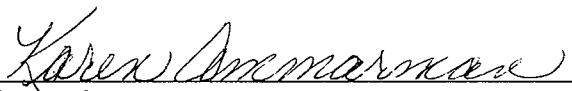
Oakland County


PETER S. WALTERS

Walters Industries Corp.

I, Karen Ammarman, Secretary to the MEGA Board, do hereby certify that the attached is a true and complete copy of a resolution adopted by the MEGA board at a meeting on December 19, 2006, and that public notice of said meeting was given pursuant to Act No. 24, Public Acts of Michigan, 1995, including the case of a special or rescheduled regular meeting, or a meeting recessed for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my signature this 27<sup>th</sup> day of December, A.D. 2006.

  
Karen Ammarman  
Secretary to the MEGA Board

  
Carol Knobloch Johns, Recording Secretary  
MEGA Board

**RESOLUTION 2006-124  
MICHIGAN ECONOMIC GROWTH AUTHORITY (MEGA)**

**BROWNFIELD ELIGIBLE INVESTMENT POLICY**

At the meeting of the Michigan Economic Growth Authority ("MEGA") held on December 19, 2006, in Lansing, Michigan.

WHEREAS, the powers of the MEGA are vested in the MEGA Board by the MEGA Act, 1995 PA 24;

WHEREAS, the Act, and section 38g of the Single Business Tax Act, 1975 PA 228 provide the MEGA Board with decision making authority and discretion in administering the program and evaluating projects as they deem appropriate.

WHEREAS, the Act authorizes the MEGA Board to determine the eligibility of and issue certificates to certain taxpayers for credits allowed under section 38g of the Single Business Tax Act, 1975 PA 228;

WHEREAS, the MEGA Board wished to define certain policies in order to make the Brownfield Redevelopment program more efficient and successful; and

WHEREAS, section 38g of the Single Business Tax Act, 1975 PA 228, defines "eligible investment" in part as the "demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to eligible property after the date that eligible activities on that eligible property have started pursuant to a brownfield plan under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, and after the date that the preapproval letter is issued

NOW, THEREFORE, BE IT RESOLVED, that the MEGA Board establishes:

- 1) for the purposes of calculating "eligible investment" for a project, the following costs will be considered:
  - Hard construction costs
  - Machinery and Equipment, including installation costs, and
  - The following Soft Costs:
    - i. Architecture and Engineering
    - ii. Construction period utilities
    - iii. Construction period interest (including bank inspection fees)
    - iv. Insurance (project general liability and builders risk only)
    - v. Permit fees
    - vi. Tap fees
    - vii. Surveys
    - viii. Geotechnical soil testing
    - ix. Environmental costs that are not otherwise reimbursed, and
    - x. Developer fees, project management fees and construction management fees
- 2) It will consider only reasonable and verifiable costs as "eligible investments".
- 3) in order for costs to be "eligible investment" the activity must occur, by statute, after the date of the MEGA Pre-Approval letter.

- 4) costs other than those listed above shall not be considered "eligible investment," including but not limited to, appraisals; performance bonds; closing costs, bank fees and loan fees; risk contingencies; financing costs; interest on permanent loans; legal expenses; leasing or sales commissions; marketing costs; professional fees; shared savings; taxes, including property taxes; and title insurance.

BE IT FURTHER RESOLVED, that this resolution is effective for projects approved and Certificates of Completion requested after January 1, 2007.

ADOPTED:

AYES: Cullen DuBose, Jim Epolito, Bo Garcia, Faye Nelson, Scott Schragger (acting for and on behalf of Robert Kleine, authorization attached), Jackie Shinn (acting for and on behalf of Kirk Steudle, authorization attached), Robert Swanson.

NAYS: None.

December 19, 2006  
Lansing, Michigan