

**MICHIGAN STRATEGIC FUND BOARD**  
**October 28, 2009**

**ADOPTED MEETING MINUTES**

A meeting of the Michigan Strategic Fund (MSF) Board was held on Wednesday, October 28, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq. , Lansing, Michigan.

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

**MEMBERS ABSENT:** James Herbert; Greg Main; James Petcoff.

**CALL TO ORDER:** Ms. Corbin called the meeting to order at 1:31 p.m.

**APPROVAL OF TEMPORARY CHAIRPERSON:** **Mr. Rothstein motioned to appoint Susan Corbin as temporary chairperson for the meeting. Mr. Haas seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**APPROVAL OF MINUTES:** Ms. Corbin stated the next order of business was the approval of the September 30, 2009 meeting minutes. **Mr. Jackson motioned approval of the minutes. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**PUBLIC COMMENT:** Ms. Corbin asked if there was any public comment. There was none.

**COMMUNICATION ITEMS:** Nathan Ohle, MEDC Board Relations Liaison, advised the Board that Richard Rassel would be recusing himself from several items on the agenda. Mr. Ohle informed the Board that they would act on Agenda Item E2 before Agenda Item E1 in order to accommodate this recusal.

**21st CENTURY JOBS FUND:**

**Resolution 2009-147: Credit Suisse Investment – Venture Investors Early Stage Fund IV, L.P.  
Credit Suisse Investment**

*Paul Brown, MEDC Capital Markets Manager, introduced guest presenters; Bob Payne, Manager, Michigan Office, Credit Suisse; Mel Carter, In-State Investment Specialist, Credit Suisse; and Sean O’Donnell, CFA, Michigan In-State Investment Specialist, Credit Suisse.*

Mr. Payne indicated that \$108 million of the original allocated funds has been invested with the exception of \$850k from Microposite which has not been invested. Mr. Payne commented on Venture Investors Early Stage Fund IV, L.P. and the previous commitment the MSF Board had made to the fund. He indicated that Credit Suisse recommends investing the remaining \$850,218 uncommitted funds to Venture Investors.

**Recommendation:** MEDC Staff recommends approval of an investment in Venture Investors Early Stage Fund IV, L.P. in the amount of \$850,218.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-147. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

*Mr. Payne also stated that the MSF Board would see a significant return on a previous investment in Handi Lab, and that they would have more details for the Board as soon as all details were finalized. Mr. Rothstein asked Mr. Payne to comment about the future of Handi Lab.. Mr. Payne responded that Handi Lab and its employees would remain in Michigan and would continue to invest in the State.*

**Resolutions 2009-148: MCSP – Automation & Modular Components, Inc. (AMC)**

*Paul Brown provided information for the action item.*

Mr. Brown spoke favorably of AMC. AMC is a manufacturer of modular conveyor systems for the automotive industry. The company is looking to move into the alternative energy industry, specifically the solar industry. The loan the company and Citizens Bank are asking for collateral support will be directly tied to the company's focus on the alternative energy sector.

**Recommendation:** MEDC Staff recommends approval of a Michigan Collateral Support Program deposit and finalization of a Deposit Agreement, subject to final due diligence and the following terms and conditions: Borrower: Automation & Modular Components, Inc. (or affiliated entities), Lender: Citizens Bank, Loan Amt: \$2,000,000 (in additional revolving availability on a separate line), MSF Cash Collateral: Up to \$998,000 Collateral Support Deposit (Savings Rate) (subject to 49.9% limiter), Loan Type: Revolving Line of Credit, Fees: Tier II: 1.5% on the MSF Deposit at Closing (\$15,497) 1.0% thereafter annually on unreleased portion, Exit Fee: 5.0 % of eligible balance.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Mr. Rothstein asked how much money was in the MCSP program. Mr. Brown responded stating that there was a total of \$13.2 million for the program, and that this proposal would use up much of what was left. Being no more questions, **Mr. Rassel made a motion for approval of Resolution 2009-148. Mr. Hodges seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-149: Picometrix, LLC Conversion Request**

*Leslie Smith, MEDC Manager 21<sup>st</sup> Century Jobs Fund, provided information on the action item.*

Ms. Smith indicated that Picometrix is requesting that the MSF Board convert the interest accrued on a 2005 loan into unregistered Class A common shares of stock at \$0.81 per share. Picometrix also is requesting that payments begin on the outstanding principal balance in November 2009 and that the interest rate be reduced to 4% on the non-converted outstanding stock. Mr. Rothstein stated that the Investment Subcommittee had reviewed the request and was recommending approval.

**Recommendation:** MEDC Staff recommends the MSF Board approve the conversion request for Picometrix, LLC subject to the terms in the resolution.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Mr. Mondry asked for clarification on the put option. Ms. Smith responded that should the company leave the State, they would be required to buy back the converted shares of stock. Being no more questions, **Mr. Mondry made a motion for approval of Resolution 2009-149. Mr. Rothstein seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-150: Company Formation and Growth Fund: Kalexsyn, Inc. and Research Essential Services, LLC (RES)**

*Leslie Smith provided information on the action item.*

Ms. Smith indicated that the committee for the Company Formation and Growth Fund met to review and vote on recommendations for the sixth round of funding from the Company Formation and Growth Fund. Kalexsyn, Inc. was recommended for a \$150,000 loan and RES was recommended for a \$200,000 loan by the subcommittee.

**Recommendation:** MEDC Staff supports the award recommendations for both Kalexsyn, Inc. and RES.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-150. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-151: Amendment to the Mc-Cann Erickson USA, Inc. Contract**

*Lisa Dancsok, MEDC Senior Vice President, Marketing, Communications and Travel Michigan, provided information on the action item.*

Ms. Dancsok indicated that the award winning Pure Michigan campaign realized approximately \$2 million in savings through their national campaign in 2009. Because of these savings, the contract with

Mc-Cann Erickson USA, Inc. needs to be extended until September 30, 2010 to use these funds to continue the campaign.

**Recommendation:** MEDC Staff recommends that the MSF approve the no-cost time extension of the terms of the Mc-Cann Erickson contract until September 30, 2010.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-151. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**PRIVATE ACTIVITY BONDS- OTHER:**

**Resolution 2009-152: Riverstreet Triangle, L.L.C. (Lansing, Ingham County) – Amend Inducement to Extend Expiration Date and Increase Project Size**

*Diane Cranmer, MEDC IDR Specialist, provided information about the action and introduced guests involved with the project; Patrick Reid, Principal, Reid and Reid.*

Ms. Cranmer indicated that the MSF Board induced a project on behalf of Riverstreet Triangle, LLC in October of 2007. The company is requesting an extension of that inducement resolution through February 28, 2011 as well as an increase in project size from \$50,000,000 to \$53,000,000. Mr. Reid indicated that he believed that he would not know whether the State of Michigan would be buying the property until early 2011, thus the need for the time extension.

**Recommendation:** MEDC staff recommends adoption of the amending resolution to increase the project size to \$53,000,000 and to extend the expiration date for the resolution to February 28, 2011.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-152. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[Recused: Richard Rassel]

**Resolution 2009-153: Digital Imaging Center, Inc. (Monitor Township, Bay County) - Amendment to Trust Indenture**

*Diane Cranmer provided information about the action item.*

Ms. Cranmer indicated that the MSF Board issued bonds for Digital Imaging Center, Inc. in 1998. The company is requesting that the Trust Indenture be amended to allow the bonds now held by Citizens Bank to be resold to Chemical Bank in order to achieve a more favorable interest rate.

**Recommendation:** MEDC staff recommends the approval of the Amendment to the Indenture.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Haas made a motion for approval of Resolution 2009-153. Ms. Ewing seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

**PRIVATE ACTIVITY BONDS- ISSUING:**

**Resolution 2009-154: Detroit Edison Company – (Belle River Power Plant, St. Clair County) – NTE \$65,000,000 Refunding – Pollution Control**

*Diane Cranmer provided information about the action item.*

Ms. Cranmer discussed the project, which is a \$65,000,000 refunding of Series 1993AA bonds on behalf of Detroit Edison Company.

**Recommendation:** After reviewing the Resolution for The Detroit Edison Company, and based upon a determination by Miller, Canfield, Paddock and Stone, P.L.C. and the State of Michigan Attorney General's office that this project meets state and federal law requirements for tax exempt financing, staff recommends the adoption of a Resolution authorizing the refunding of bonds in the amount not to exceed \$65,000,000.



George Jackson; Mitch Mondry; Richard Rassel; Charles Rothstein

**Nays:** None

**Recused:** None

**Absent:** James Herbert; Greg Main; and James Petcoff

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

**RENAISSANCE ZONES:**

**Resolution 2009-157: MSF Designated Renaissance Zone - City of Holland, Allegan County, Johnson Controls-Saft APS Production, Inc. (JCS)**

*Kevin Bonds, MEDC Manager Business and Community Services, provided information for the action item and introduced guest presenters; Ken McClendon, Director of Mfg Services, JCS; John Schaff, Director of Federal Services, JCS; Mayor Al McGeehan, Mayor, City of Holland; and Greg Robinson, Assistant City Manager, City of Holland*

Mr. Bonds discussed the project, which is the construction of an advanced battery manufacturing facility by JCS in Holland, MI. In February 2009, JCS and Ford Motor Company announced the serial production of Plug-In Hybrid Vehicles that will cover the complete battery system. The facility in Holland will eventually have the capacity to produce over 15 million cells per year, or enough to power 150,000 Hybrid Electric Vehicles. This project will create approximately 448 jobs with an investment of over \$220 million.

*Mr. Schaff gave an overview of the project and thanked the State, the City of Holland and the Governor for all of their help in bringing the project to fruition. He emphasized that JCS received the largest single grant from the Federal Government for battery production and stated that it was only possible because of the hard work of the MEDC staff and others that helped bring the project to Holland. Mayor McGeehan spoke about the impact on the Holland community, emphasizing that it was not just the 448 jobs that JCS was directly contributing, but that it would bring in countless other jobs throughout the community. He thanked the company and the MEDC staff who helped to make the project happen. Ms. Ewing asked whether JCS anticipated using former auto workers to staff their facility or if this work would require additional training. Mr. McClendon responded by saying that the company would look at former JCS employees first, but would also certainly be tapping the trained workforce that Michigan had to offer, and that those workers were a major reason the company chose Michigan. Mr. Rothstein asked what the company's timeline was for the facility. Mr. McClendon responded that they had already started to hire, and anticipated starting production by August 2010, with full capacity by 2013. Mr. Rassel asked where the company headquarters were located. Mr. Schaff responded that the company had three main facilities, one in Plymouth, MI and two (including corporate Headquarters) in Milwaukee, WI. Mr. Robinson also thanked the company and the MEDC for all of their support in bringing this project to Holland.*

**Recommendation:** MEDC Staff recommends the MSF approve the City of Holland's request for a MSF Designated Renaissance Zone for Johnson Controls-Saft APS Production, Inc. for a 15 year designation.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Haas made a motion for approval of Resolution 2009-157. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[**Recused:** Richard Rassel]

**TOOL & DIE RECOVERY ZONES:**

**Resolution 2009-158: Join Existing Tool & Die Recovery Zone – Kimastle Corporation, Chesterfield Charter Township, Macomb County, to join the Eastern Michigan Tool & Die Collaborative**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that staff of the Recovery Zone program received a Recovery Zone application and supporting documentation from the Eastern Michigan Tool & Die Collaborative on behalf of Kimastle Corporation. Staff reviewed the materials submitted and has determined that the requirements of the Act have been satisfied.

**Recommendation:** Staff recommends MSF approval of the property for Kimastle Corporation to be designated as a Recovery Zone and join the Eastern Michigan Tool & Die Collaborative.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-158. Mr. Jackson seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

[Returned: Richard Rassel]

**Resolution 2009-159: Join Existing Tool & Die Recovery Zone – Riviera Tool, LLC, Cascade Charter Township, Kent County, to join the United Tooling Coalition**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that staff of the Recovery Zone program received a Recovery Zone application and supporting documentation from the United Tooling Coalition on behalf of Riviera Tool, LLC. Staff reviewed the materials submitted and has determined that the requirements of the Act have been satisfied.

**Recommendation:** Staff recommends MSF approval of the property for Riviera Tool, LLC to be designated as a Recovery Zone and join the United Tooling Coalition.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Haas made a motion for approval of Resolution 2009-159. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-160: Join Existing Tool & Die Recovery Zone - Mol-Son, LLC, Village of Mattawan, Van Buren County, to join the United Tooling Coalition**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that staff of the Recovery Zone program received a Recovery Zone application and supporting documentation from the United Tool Coalition on behalf of Mol-Son, LLC. Staff reviewed the materials submitted and has determined that the requirements of the Act have been satisfied.

**Recommendation:** Staff recommends MSF approval of the property for Mol-Son, LLC to be designated as a Recovery Zone and join the United Tooling Coalition.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Haas made a motion for approval of Resolution 2009-160. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-161: Join Existing Tool & Die Recovery Zone – H.S. Technologies, Inc., Tallmadge Charter Township, Ottawa County, to join the Coopersville Tooling Coalition**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that staff of the Recovery Zone program received a Recovery Zone application and supporting documentation from the Coopersville Tool Coalition on behalf of H.S. Technologies, Inc. Staff reviewed the materials submitted and has determined that the requirements of the Act have been satisfied.

**Recommendation:** Staff recommends MSF approval of the property for H.S. Technologies to be designated as a Recovery Zone and join the Coopersville Tooling Coalition.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-161. Mr. Haas seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-162: Join Existing Tool & Die Recovery Zone – H.S. Die & Engineering, Inc., Tallmadge Charter Township, Ottawa County, to join the Coopersville Tooling Coalition**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that staff of the Recovery Zone program received a Recovery Zone application and supporting documentation from the Coopersville Tooling Coalition on behalf of H.S. Die & Engineering, Inc. Staff reviewed the materials submitted and has determined that the requirements of the Act have been satisfied.

**Recommendation:** Staff recommends MSF approval of the property for H.S. Die & Engineering to be designated as a Recovery Zone and join the Coopersville Tooling Coalition.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-162. Mr. Haas seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-163: Join Existing Tool & Die Recovery Zone – H.S. Die & Engineering, Inc., City of Walker, Kent County, to join the Coopersville Tooling Coalition**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that staff of the Recovery Zone program received a Recovery Zone application and supporting documentation from the Coopersville Tooling Coalition on behalf of H.S. Die & Engineering, Inc. Staff reviewed the materials submitted and has determined that the requirements of the Act have been satisfied.

**Recommendation:** Staff recommends MSF approval of the property for H.S. Die & Engineering to be designated as a Recovery Zone and join the Coopersville Tooling Coalition.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Hodges made a motion for approval of Resolution 2009-163. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-164: Revocation of an Existing Tool & Die Recovery Zone - CAD-CAM Services, Inc., Kentwood, Kent County**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that the staff of the Recovery Zone program received notice that CAD-CAM Services, Inc. has gone out of business. The company is no longer a member or participating in the collaborative agreement with the members of the Whitehall Township Tooling Coalition.

**Recommendation:** Staff recommends the MSF revoke the designation of the existing Recovery Zone property for CAD-CAM Services, Inc. located at 4017 Brockton Dr SE, Kentwood, Michigan 49512-4084.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rothstein made a motion for approval of Resolution 2009-164. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

[Recused: Richard Rassel]

**Resolution 2009-165: Revocation of an Existing Tool & Die Recovery Zone – Commerce Industries, Inc., City of Wixom, Oakland County**

*Kevin Bonds provided information for the action item.*

Mr. Bonds indicated that the staff of the Recovery Zone program received notice that Commerce Industries has gone out of business. The company is no longer a member or participating in the collaborative agreement with the members of the Global Tooling Alliance.

**Recommendation:** Staff recommends the MSF revoke the designation of the existing Recovery Zone property for Commerce Industries, Inc., located at 28266 Beck Road, Wixom, Michigan 48393-3623.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Ms. Ewing made a motion for approval of Resolution 2009-165. Mr. Haas seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 1 recused; 3 absent.

[Returned: Richard Rassel]

**COMMUNITY DEVELOPMENT BLOCK PROGRAM – PLANNING:**

**Resolution 2009-166: Yates Township – Feasibility Study -- \$46,450**

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

Mr. Bonds indicated that Yates Township has requested a \$46,450 Community Development Block Grant (CDBG) to assist with preparing a feasibility study for the historic Flamingo Club site for the purpose of encouraging new investment and job creation. This study will play a critical role in the revival of the historic Idlewild.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$46,450 be authorized for Yates Township.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Jackson made a motion for approval of Resolution 2009-166. Mr. Haas seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**COMMUNITY DEVELOPMENT BLOCK GRANT -- DOWNTOWN DEVELOPMENT:**

**Resolution 2009-167: City of Mt. Pleasant – Façade Improvement - \$42,750**

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

Mr. Bonds indicated that the city of Mt. Pleasant has requested a \$42,750 Community Development Block Grant (CDBG) to fund the façade improvement of a building located in their downtown area. The project is expected to result in the creation of up to six new jobs with a total investment of up to \$145,5000.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$42,750 be authorized for the City of Mt. Pleasant.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-167. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**COMMUNITY DEVELOPMENT BLOCK GRANT – INFRASTRUCTURE:**

**Resolution 2009-168: Yates Township, Henrietta Summers Senior Center - \$573,596**

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

Mr. Bonds indicated that Yates Township has requested \$573,596 for the rehabilitation of the Henrietta Summers Senior Center. The Center serves a large group of senior citizens and the repairs will enable the Center to meet ADA requirements for accessibility as well as accommodate larger groups of citizens.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$573,596 be authorized for Yates Township.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-168. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-169: Saginaw County, Land Acquisition & Improvements for Economic Development - \$7,500,000**

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

Mr. Bonds indicated that Saginaw County has requested \$7,500,000 to acquire land, improve the site's infrastructure, and conduct other business related activities to create a solar industrial park in Thomas Township. In 2008, Saginaw Future, Inc. received a planning grant to explore the possibility of creating a solar park in Saginaw County. The study was successful, and a portion of the anticipated park has already been purchased by Suniva, Inc. for their solar cell manufacturing operation. Saginaw hopes to use the remaining land in the proposed park to attract other solar related companies to the area.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$7,500,000 be authorized for Saginaw County.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-197. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-170: City of Reed City, Waste Water Treatment Plant Improvements - \$1,850,000 - Amendment**

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

Mr. Bonds indicated that Reed City has requested \$1,850,000 for a wastewater treatment plant improvement project. The city has indicated that they need to increase the treatment capacity from .95 million gallons of waste per day to as much as 1.8 million gallons per day. The estimated cost for these repairs total \$3,495,000.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$1,850,000 be authorized for the City of Reed City.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-170. Mr. Hodges seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

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

**Resolution 2009-171: Saginaw County, Suniva, Inc. – Machinery and Equipment Acquisition Grant - \$2,500,000**

*Kevin Bonds provided information to the Board for the action item and introduced the presenter: Steve Jonas, Saginaw Future.*

Mr. Bonds indicated that Saginaw County has requested \$2,500,000 to purchase machinery and equipment related to a manufacturing facility for Suniva, Inc. Suniva produces and markets high-energy photovoltaic cells called “ARTisun” solar cells. Suniva plans to construct a facility that at full capacity would produce photovoltaic cells with a capacity to provide over 400 megawatts of solar power annually, which would generate electricity for roughly 100,000 households. Suniva has committed to creating 500 new jobs and invest over \$250 million. Mr. Jonas presented a chart detailing the supply line of photovoltaic technology. He continued by stating that in addition to Suniva, Saginaw Future was attempting to attract companies from throughout the supply line to the solar park in Thomas Township.

*Mr. Rothstein asked whether Suniva was large enough to handle a \$250 million investment. Mr. Jonas responded that they were, and that the new plant will have the capability to produce over four times the plant that Suniva currently has in operation in Georgia. Ms. Ewing asked what staffing needs Suniva might have. Mr. Jonas responded that they would be looking for trained workers in the solar field, and talked extensively about the program that Delta College has developed to train workers in the solar industry in as little as 14 weeks.*

**Recommendation:** MEDC Staff recommends that an application in the amount of \$2,500,000 be authorized for the County of Saginaw.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Mondry made a motion for approval of Resolution 2009-171. Mr. Jackson seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-172: City of Marshall, Johnson System, Inc. – Water Sewer Connection - \$112,928**

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

Mr. Bonds indicated that the City of Marshall has requested \$112,928 to hook Johnson System, Inc (JSI) to the city’s existing sewer system. JSI plans to diversify into towers for wind turbines for private and residential use. JSI will create 15 news jobs and invest \$279,000 in the project.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$112,928 be authorized for the City of Marshall.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Haas made a motion for approval of Resolution 2009-172. Mr. Rassel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-173: Village of Sheridan, Wright Plastics – Water Sewer Connection - \$108,000**

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

Mr. Bonds indicated that the Village of Sheridan has requested \$108,000 to hook Wright Plastics Products Co., LLC to the village's existing sewer system. Wright Plastics has landed two large takeover programs needs to expand. The company plans to create 11 new jobs and invest \$275,000.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$108,000 be authorized for the Village of Sheridan.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-173. Mr. Haas seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**Resolution 2009-174: Montcalm County, Zero1, LLC – Machinery and Equipment Acquisition Grant - \$930,000**

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

Mr. Bonds indicated that Montcalm County has requested \$930,000 to purchase machinery and equipment related to the manufacturing facility for Zero1, LLC. Zero1 designs and manufactures industrial furniture and marine seating, and is planning to bring the manufacturing of their new product lines to Greenville. Zero1 will create 93 new jobs and invest \$3,396,020.

**Recommendation:** MEDC Staff recommends that an application in the amount of \$930,020 be authorized for the County of Montcalm.

**Board Discussion:** Ms. Corbin asked if there were any questions from the Board. Mr. Rassel asked if the manufacturing was currently being done in China. Mr. Bonds responded yes, and that it was a great win for Michigan. Being no more questions, **Mr. Rassel made a motion for approval of Resolution 2009-174. Mr. Mondry seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 3 absent.

**ADDITIONAL BUSINESS:** Ms. Corbin asked if there was any additional business to discuss. Being none, Ms. Corbin thanked all those in attendance and adjourned the meeting at 2:29 p.m.