



October 22, 2019

Kristen Kapelanski, AICP
Manager of Planning
Planning and Economic Development
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

Re: Application for Dimensional (non-use) Variance for Property Located at 2240 Avon Industrial Drive, Rochester Hills, MI (Tax ID: 15-29-251-015)

Dear Kristen:

Attached please find the application to the City of Rochester Hills Zoning Board of Appeals (“ZBA”) for a Dimensional (non-use) Variance for the property located at 2240 Avon Industrial Drive (Tax ID: 15-29-251-015) to allow , Ajax Materials Corporation (“Ajax”), the facility operator, to install three hot mix asphalt (“HMA”) storage silos, each nominally over 49 feet tall to match the existing HMA storage silos on the site, which is 9 feet higher than the 40-foot building height limit provided under Section 5.100, Table 6, of the Rochester Hills Zoning Ordinance (the “Ordinance”). These new silos would be located next to the five existing nominally over 49-foot high silos that have been in place and legally used on the property for decades to store HMA as part of Ajax’s asphalt manufacturing business.

Ajax seeks this Dimensional Variance because application of the Ordinance's 40-foot height limitation to the three proposed HMA storage silos would unreasonably prevent Ajax from using the affected property for a permitted purpose. Requiring HMA silos of less than 49 feet is impractical and unjust because shorter silos:

1. Are smaller than the minimum size used in the segment of the industry in which Ajax competes;
2. Would negatively impact Ajax's ability to achieve quality and production efficiency benchmarks and make Ajax's operations less competitive;
3. Would reduce Ajax’s energy efficiency;
4. Would force Ajax to increase its average daily hours of HMA plant operation to produce the same daily output utilizing silos that match the existing silos.

By granting the requested variance, the ZBA can avoid all of these negative outcomes and, instead, enable Ajax to improve its operational efficiency while having no negative effects on the surrounding properties in the District.

Proposed HMA Silos: Consistent with Established Use and Required in the HMA Market

Ajax currently utilizes five HMA storage silos on the property. All of these silos are nominally over 49 feet tall and have a storage capacity of 200 tons, which is the minimum size used in the segment of the HMA production industry in which Ajax competes. Most HMA silos used by Ajax and its competitors in the region have a capacity of 300 tons and stand 68 feet tall. In this application, Ajax is proposing the smaller of the silos typically used in the market in which Ajax competes, matching the existing silos which have been in use on the property for decades.

Silos of less than 49 feet (i.e., smaller than 200 tons' capacity) are not a commercially or competitively viable option for Ajax. Silos smaller than 200 ton capacity are too small to allow Ajax to efficiently and effectively operate its HMA manufacturing and customer pick-up operations. The industry typically uses silos of 200 and 300 tons capacity because this allows manufacturers to produce and store HMA in the quantities that asphalt users (i.e., road builders) require and can efficiently collect from manufacturers. Forcing the use of small silos would impede the efficiency of Ajax's product delivery operations, require Ajax to operate its asphalt plant more hours per day with no corresponding gain in daily output and unnecessarily increase Ajax's energy consumption.

Less Efficient Operations, Quality Risks and Longer Average Operating Hours

Use of small silos would force Ajax to interrupt its operations more frequently as the silos reach capacity, resulting in less cost-effective operations, unnecessarily high energy consumption and risks to product quality. With smaller storage capacity, Ajax would be forced to shut down and restart its mixing operations, needlessly wasting electricity and natural gas as it restarts and heats up its system. Increasing the frequency of production interruptions also introduces variability to the production system's flow rate, temperature and other factors which harm the quality and consistency of HMA. In addition, these less efficient operations would require Ajax on average to run its HMA plant production operations for more hours each day.

Benefits of the Variance

Strict adherence to the 40-foot height limitation with respect to Ajax's proposed silos does nothing to advance the goals of the Ordinance's height limitation, because the HMA conveyor equipment positioned above the silos must remain at its current height, regardless of the height of the proposed silos. Consequently, regardless of whether the proposed silos are installed to match the five existing silos in use on the property or whether some shorter, smaller capacity silo meeting the 40 foot height limitation were installed, the "skyline view" would be the same and no local public benefit would be gained by strict enforcement of the 40 foot height limitation. Grant of this variance, therefore, will allow Ajax to make investments that will improve the efficiency of its HMA production operations without compromising the goals of the Ordinance, while enabling Ajax to continue to compete in the market and contribute to the community of Rochester Hills.

We greatly appreciate City of Rochester Hills' efforts to work in partnership with our company over the years. We request the ZBA's consideration of this application and we look

forward to presenting this information to the ZBA at its next meeting on November 13, 2019. In the meantime, please contact me if you require any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Mark E. Boden". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Mark Boden
Vice President

ENCLOSURE