

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION
All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) RayEstates Rochester RCI LLC	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 5513
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2474 Devondale Rd, Rochester Hills, MI 48309-3645	1d. City/Township/Village (indicate which) City of Rochester Hills
1e. County Oakland	
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment	3a. School District where facility is located Avondale
3b. School Code 63070	
4. Amount of years requested for exemption (1-12 Years) 12 years after completion of construction	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.
See attachment.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ <u>5,344,792</u> Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ _____ Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ <u>5,344,792</u> Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>	
Real Property Improvements	▶ <u>5/1/2017</u>	<u>4/30/2019</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements	▶ _____	_____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

9. No. of existing jobs at this facility that will be retained as a result of this project. 63	10. No. of new jobs at this facility expected to create within 2 years of completion. 22
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11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) _____

b. TV of Personal Property (excluding inventory) _____

c. Total TV _____

12a. Check the type of District the facility is located in:

Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) to be established

12c. Is this application for a speculative building (Sec. 3(8))?
 Yes No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Meegan Spicer	13b. Telephone Number 440-892-3356	13c. Fax Number 248-230-4182	13d. E-mail Address meegan.spicer@duffandph
14a. Name of Contact Person Chuck Lee	14b. Telephone Number 248-310-2919	14c. Fax Number	14d. E-mail Address chuck.lee@araymond.com
▶ 15a. Name of Company Officer (No Authorized Agents) <i>Chuck Lee</i>			
15b. Signature of Company Officer (No Authorized Agents) <i>Chuck Lee</i>		15c. Fax Number	15d. Date <i>7/15/17</i>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 2350 Austin Ave, Ste 200, Rochester Hills, MI 48309		15f. Telephone Number 248-537-3406	15g. E-mail Address chuck.lee@araymond.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)		16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)	
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.		16c. LUCI Code	
16d. School Code		17. Name of Local Government Body	
▶ 18. Date of Resolution Approving/Denying this Application			

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

Question 5. General description of facility, proposed use, construction, and equipment.

The A. Raymond Network ("AR Network") was created in 1865 by Albert-Pierre Raymond in Grenoble, France where the company is headquartered today and is still a privately-held family business. The AR Network includes 37 independent business enterprises, 5,900 employees worldwide, 20 production sites and 11 design offices worldwide. The AR Network develops, manufactures and markets fastening and assembly solutions globally.

A. Raymond Corporate North America, Inc. ("ARCNA") is a subsidiary of French company A. Raymond et Cie-Scs. ARCNA is based in Rochester Hills, Michigan and is the parent company of various operating entities including A. Raymond Tinnerman Automotive, Inc.; A. Raymond Tinnerman Industrial, Inc.; and Rayconnect, Inc. There are various other legal entities operating in Michigan that are part of the AR Network, providing services to the operating entities in North America such as IT, engineering and legal services.

The company currently has various locations throughout Oakland County, which house manufacturing and administrative offices for its business. With this project the company is considering constructing a new headquarters building (the "Project") on Devondale Road to enhance employee collaboration and accommodate future growth. The facility would house corporate functions and an advanced engineering lab in a one story layout of approximately 22,000 SF, including about 5,000 SF of lab space. It is anticipated that about 63 current jobs would relocate to the new facility from leased locations and that 22 new jobs would be created. Approximately 16 of the 63 current jobs would be relocated into Rochester Hills from Auburn Hills and thus would be new jobs to the City of Rochester Hills.

The Project would occur on land adjacent to the Rayconnect, Inc.'s operations (2350 Austin Ave., Rochester Hills) in order to establish a corporate campus. As part of this Project, there is also new investment of about \$5.8 million in manufacturing machinery and equipment and new job creation of about 27 being considered at the Rayconnect site. Various lower operating cost locations outside of Michigan, where the company already operates, have been considered as alternatives for this project.

It is anticipated that the new building and assets invested at the site on Devondale will be owned by RayEstates RCI Rochester LLC. The new jobs will be created by various AR Network legal entities that will operate out of the new headquarters facility. Total new jobs to Rochester Hills as part of this Project is anticipated to be 65, with average annual wages that exceed \$65,000.

It is anticipated that the company would consider a Phase 2 expansion within the next three (3) years.

Question 6a - Real Property Listing

Real Property Improvement Description	Beginning Date of Installation	Costs/Expected Costs
Fees & Insurance	5/1/2017	\$ 243,605
Sitework	5/1/2017	\$ 575,650
Concrete	5/1/2017	\$ 696,605
Metals	5/1/2017	\$ 361,000
Wood & Plastic	5/1/2017	\$ 197,200
Thermal & Moisture Protection	7/1/2017	\$ 378,100
Doors and Windows	7/1/2017	\$ 359,500
Finishes	7/1/2017	\$ 331,175
Specialities	5/1/2017	\$ 61,000
Mechanical	5/1/2017	\$ 737,000
Electrical	5/1/2017	\$ 408,000
General Conditions	5/1/2017	\$ 225,000
Construction Fee/Risk	5/1/2017	\$ 275,000
Construction Management Fee	5/1/2017	\$ 138,567
Subtotal Bldg Construction		\$ 4,987,402
Other		
Architectural & Engineering Fees	5/1/2017	\$ 258,390
Inspecting Engineer	5/1/2017	\$ 15,000
Legal Fees	5/1/2017	\$ 35,000
Appraisal Fees	5/1/2017	\$ 5,000
Survey Fee	5/1/2017	\$ 15,000
Development Fee/Risk	5/1/2017	\$ 29,000
Subtotal Other		\$ 357,390
TOTAL REAL PROPERTY		\$ 5,344,792

**Attachment 1 - Legal Description of Property
Proposed Project**

Parcel 70-15-29-451-001

Legal Description: T3N, R11E, SEC 29 SUPERVISOR'S PLAT NO 9 LOT 7

Parcel 70-15-29-401-003

Legal Description: T3N, R11E, SEC 29 SUPERVISOR'S PLAT NO 9 SLY 130 FT OF LOT 6

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION
AFFIDAVIT OF PROJECT BEGIN DATES**

I swear and affirm by my signature below that the real property project beginning on construction date and/or personal property project installation begin date, associated with the application for Industrial Facilities Exemption Certificate under PA 198 of 1974, as amended, in the amount of \$5,344,792 filed with the City of Rochester Hills, for a facility located at 2474 Devondale Road, are as follows:

Real Property Project Begin Date: 5/1/2017

Personal Property Project Installation Date: N/A

Applicant Name:

RayEstates Rochester RCI LLC

Signature: 

Printed Name: Charles Lee

Title: President, ARTS

Date: 3/15/17