



**City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
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**Legislative File No: 2009-0092**

**TO:** Mayor and City Council Members  
**FROM:** Dan Casey, Manager of Economic Development, ext. 2577  
**DATE:** February 19, 2009  
**SUBJECT:** Public Hearing Regarding the Request for an Industrial Facilities Exemption Certificate

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**REQUEST:**

Schedule the public hearing regarding the application for an industrial facilities exemption certificate by Magna Electronics/BluWav Systems for the Regular Meeting of City Council on March 16, 2009.

**BACKGROUND:**

The City received a request to establish an IDD on February 19, 2009 from First Industrial Realty Trust, owners of a building located at 1935-1955 Enterprise Dr. in the TAN Industrial Park. The City also received an application for an industrial facilities exemption certificate from Magna Electronics/BluWav Systems for a project to be located in this facility.

Magna Electronics/BluWav Systems, in its application, is seeking an 8-year abatement of real and personal property. It proposes to spend \$285,000 in real property improvements and \$4,442,014 in personal property, for a total investment of \$4,727,014. The personal property consists of machinery and equipment, computer equipment and software, and office furniture. The project will create 73 new jobs in Rochester Hills within two years of project completion, the relocation of 55 jobs from Magna Electronics and retain 20 current jobs.

BluWav Systems has been located in Rochester Hills since 2003. It was formerly named Wavecrest Laboratories. Its initial project was an electric bike. The Rochester Hills location, however, is focused on automotive and hybrid electric motor technology. In 2006, the headquarters of Wavecrest was relocated to Rochester Hills in its current building, located at 1613 Star Batt. In 2006, the electric bike business was sold and Wavecrest became BluWav Systems.

In late 2007, Magna International bought BluWav Systems. Magna has placed its electronics division within BluWav Systems and seeks to consolidate the operation in the building on Enterprise Dr. BluWav Systems is a developer and supplier of electric propulsion and energy management systems for Hybrid Electric Vehicles (HEV), Plug-in Hybrid Electric Vehicles (PHEV), and Battery Electric Vehicles (BEV).

Magna Electronics manufactures a range of electronics products, including Driver Assistance products such as reverse assist cameras, ultrasonic park assist systems, lane departure warning systems, and automatic nightbeam control, in addition to engine electronics, brushless motors and power controllers.

This project also is being considered for a location in Canada, where Magna International is headquartered. A State of Michigan MEGA tax credit also is being sought. The MEGA Board is

expected to approve the state's incentive package at a meeting on Tuesday, March 17, 2009. The tax abatement is anticipated to be the local match for the MEGA.

The company will be making a brief presentation prior to the public hearing.

**RECOMMENDATION:**

Schedule the Public Hearing for the Regular Meeting of City Council, scheduled for March 16, 2009.

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		