



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

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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www.rochesterhills.org**

Legislative File No: 2008-0294

TO: Mayor and City Council Members

FROM: Ed Anzek, Planning & Development Department, ext. 2572

DATE: June 06, 2008

SUBJECT: Public Hearing Regarding the Request for an Industrial Facilities Exemption Certificate

REQUEST:

Schedule the public hearing regarding the application for an industrial facilities exemption certificate by Rayconnect, Inc. for the Regular Meeting of City Council on June 23, 2008.

BACKGROUND:

The City received an application for an industrial facilities exemption certificate from Rayconnect, Inc. for parcel numbers 15-29-452-027 (vacant land) and 15-29-452-028 (2559 Devondale). Rayconnect has entered into a purchase agreement to acquire the property, and its acquisition is contingent upon the completion of its due diligence and approval of all state and local incentives.

Rayconnect, Inc., in its application, is seeking 12-year abatement of real and personal property. It proposes to spend \$9,183,600 to construct an approximately 64,000-square-foot building and \$5,351,000 in new personal property. Total investment is \$14,534,600. The personal property consists of furniture, fixtures and machinery equipment. The project will create 37 jobs within two years of project completion and retain 60 employees in Rochester Hills. Today, Rayconnect is located at 3011 Research Dr. The project also indirectly retains 88 positions at Rayconnect's parent company, A. Raymond, Inc., located at 3091 Research Dr. in Rochester Hills.

Established in France in 1865, A. Raymond SCS is the French parent company of A. Raymond, Inc. A. Raymond, Inc. was incorporated in the State of Michigan in 1986 and is the parent company of Rayconnect, Inc., which was formed in 2005. In 1987, A. Raymond, Inc., formed a joint venture with an automotive supplier, Molmec, Inc., and started North American fastener manufacturing operations with two employees, at its current location (3091 Research Dr., Rochester Hills). In 1994, A. Raymond, Inc. expanded its facility by doubling its size to accommodate its rapidly growing molding business. Later, A. Raymond acquired 50% interest in Molmec and expanded in 1996. In 1998, A. Raymond entered into the quick connector market, selling products manufactured from its group companies in Europe. In 2005, A. Raymond Inc. formed a wholly owned subsidiary, Rayconnect, Inc., which occupied the leased facility at 3011 Research Dr., to design, sell and manufacture the quick connect product line.

Rayconnect, Inc. designs, develops, manufactures and sells fluid handling products for the automotive, commercial and construction equipment markets. Since developing this market in the United States in 2001, the sales have increased from \$500,000 to over \$20-million in 2007.

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 June 23, 2008.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		