

Dematic wins tax break that makes way for hiring 74 people in Grand Rapids

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PhotoThe Dematic expansion would allow the company to demonstrate new material handling and logistic systems to customers.

GRAND RAPIDS -- Dematic Corp., a company that has changed hands and headcounts with some frequency, [won approval today for a five-year state tax break](#) for hiring up to 505 people over that time.

Dematic expects to add 74 jobs in the coming year, adding to the 791 who now work at the conveyor-maker's complex at 507 Plymouth Ave. NE. While the expansion of research and development, sales, and production all are good news, Dematic is starting from a vastly smaller base than it had just two years ago, when it employed 1,331.

Expected wages will average \$872 a week, or \$21.80 an hour, with benefits.

The \$10.9 million plan includes renovations to an existing site, new equipment and machinery, computers and tooling. Dematic designs and builds automated systems for warehouses, distribution centers and other sites with material-moving needs.

This summer, Dematic acquired HK Systems, a Wisconsin firm that makes automated storage and retrieval systems. It employs 800.

Dematic is a descendant of Rapistan, a conveyor business started here in 1939. Next, the company was acquired by Mannesmann Demag and later named Mannesmann Dematic. In 2001, Siemens bought the Grand Rapids business and joined it with Siemens Demag AG. Later it was named Siemens Dematic, then spun off as Dematic Corp. in 2006, after its postal-equipment business moved to Texas. **(Lear- Siegler or Frostman- Little are not mentioned)**

Grand Rapids also is considering a five-year personal property tax break on the new equipment. The tax abatement would cost the city an estimated \$44,300 in lost property tax revenue. But the 505 new jobs would bring in roughly \$229,000 in income taxes.

The Michigan Economic Growth Authority approved the state employment tax break in a meeting in Lansing today