CITY OF ROCHESTER HILLS



DATE: July 1, 2008

TO: Rochester Hills Local Development Finance Authority Members

FROM: Dan Casey, Manager of

Economic Development

RE: Rayconnect Project

The City's economic development staff has been working with Rayconnect, Inc., Rochester Hills-based automotive supplier, since January of 2006 on an expansion project. Last month, Mayor Barnett and company officials announced the project at a press conference.

Rayconnect, Inc. plans to construct a 64,000-square-foot facility on a 10-acre site off of Austin Ave. and Devondale St. in the LDFA District. A future expansion of the building to 110,000 square feet also is being considered. The project will retain 60 Rayconnect employees, and 88 employees of parent company A. Raymond, also located in Rochester Hills. In addition, the company will hire 37 new employees. The investment in the building and new equipment is \$14.5-million.

The City Administration is working closely with the company and its development partner, Kirco Construction, to coordinate the road project and geotechnical studies.

This project, should it be completed, may act as a catalyst for future development along Devondale St. and Austin Ave. A preliminary estimate has been completed and shows that as much as 200,000 square feet of future development could occur on the west side of Devondale. The land presently is zoned I-1, Light Industrial.

More information will be provided at the Board meeting.