



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
ASSISTANCE CENTER
517 373 9808

WWW.THEMEDC.ORG

DATE: February 17, 2009
TO: Michigan Economic Growth Authority
FROM: Amy Deprez, Packaging Team Manager
Portfolio Management & Packaging
Joshua Hundt, Project Specialist
Portfolio Management & Packaging
SUBJECT: Briefing Memo – RIIS, LLC
High Technology/High-Wage MEGA Credit

COMPANY NAME:

RIIS, LLC
25600 Woodward Avenue, Suite 202
Royal Oak, Michigan 48067

HISTORY OF COMPANY:

RIIS, LLC was founded in 1997 and is headquartered in the City of Royal Oak. RIIS offers services to clients nationally and competes with off-shore software and applications development firms. In 2007, the company made the decision to expand their on-shore development capabilities, which resulted in 2008 revenue growth of 400 percent.

The company currently has 11 full-time employees in Michigan.

PROJECT DESCRIPTION:

RIIS plans to expand its headquarters in either the City of Royal Oak or the City of Southfield, both in Oakland County. The expansion is due to two new large software and application development contracts with clients located in Ohio and North Carolina.

RIIS will invest approximately \$946,000 and create 40 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$1,832. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

EXECUTIVE COMMITTEE
MATTHEW P. CULLEN
Chair
Rock Enterprises

PHILIP H. POWER
Vice-Chair
The Center for Michigan

JAMES C. EPOLITO
President and CEO

RICHARD E. BLOUSE JR., CCE
Detroit Regional Chamber

JOHN W. BROWN
Stryker Corporation

DR. DAVID E. COLE
Center for
Automotive Research

KEITH W. COOLEY
Michigan Department of
Labor & Economic Growth

JOANN CRARY
Saginaw Future Inc.

DR. HAIFA FAKHOURI
Arab American and
Chaldean Council

STEVEN K. HAMP
Hamp Advisors, LLC

PAUL HILLEGONDS
DTE Energy Company

FREDERICK W. HOFFMAN
Chrysler, LLC

GEORGE W. JACKSON JR.
Detroit Economic
Growth Corporation

MICHAEL J. JANDERNOA
Bridge Street Capital
Partners, LLC

BIRGIT M. KLOHS
The Right Place, Inc.

F. THOMAS LEWAND
Bodman LLP

DR. IRVIN D. REID
Wayne State University

MICHAEL B. STAEBLER
Pepper Hamilton LLP

DENNIS R. TOFFOLO
Oakland County

PETER S. WALTERS
Guardian Industries Corp.

TODD A. WYETT
Versa Development, LLC

BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of 95 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$1.9 million (current dollars) due to the presence of this facility.

BUSINESS CASE:

RIIS is also considering North Carolina and Ohio for this project. Locating their project in either of these two states would allow the company to complete the work in their client's facilities, which would reduce the total capital investment required by the company.

RIIS also indicated that wages are lower in Ohio.

OTHER STATE AND LOCAL ASSISTANCE:

Oakland County plans to support this project by offering \$15,000 in Incumbent Worker Training funds to RIIS, LLC.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY:

The company is a qualified high-wage business, as defined in the Act.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for seven years for up to 40 net new employees in excess of the company's established base of 11.