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## MEMORANDUM

**Date:** December 14, 2010

**To:** Michigan Economic Growth Authority

**From:** Phil Santer, Project Specialist  
Packaging Team

**Subject:** Briefing Memo – Ring Screw LLC (Acument Global Technologies, Inc.)  
Standard MEGA Credit

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### COMPANY NAME

Ring Screw LLC  
(Acument Global Technologies, Inc.)  
840 West Long Lake Rd, Suite 450  
Troy, Michigan 48098

### HISTORY OF COMPANY

Ring Screw LLC is a subsidiary of Acument Global Technologies, Inc. ("Acument"), a company that produces mechanical fastening products and services for the transportation market. Acument's North American history began in 1955 when Textron, Inc. purchased Camcar out of Illinois. Over the course of time, Textron expanded its fastener business into the aerospace market and acquired other fastener companies, including Ring Screw LLC and Acument Fastening Systems LLC. Ultimately, Acument and its family of companies established its headquarters in Troy, Michigan. In 2006, Textron sold its fastening unit to Platinum Equity. Staff understands that Acument and its family of companies currently employ 2,500 people globally and have over \$1 billion in sales.

Ring Screw LLC currently has 509 full-time employees in Michigan.

### PROJECT DESCRIPTION

In 2009, Acument underwent a restructuring program aimed at surviving the global economic downturn and aligning its operations for future growth. As a result of those actions, Acument now has an increased competitive position, allowing it to increase sales and capture a larger market share. Acument needs to site increased work at its current facilities, and could source its manufacturing at their Tennessee facility. With the assistance of a MEGA Tax Credit, Acument would site the investment in Michigan and Acument Global Technologies, Inc. would be required to maintain its corporate headquarters in Michigan.

Acument plans to invest up to \$5.1 million and create up to 150 jobs over the next five years as a result of this project. Job creation would occur within Ring Screw LLC and Acument Fastening Systems LLC; business entities within Acument's family of companies. The average weekly wage for the newly created jobs is anticipated to be \$548. Ring Screw LLC also offers healthcare benefits, and plans to pay a portion of the benefit cost. The effect on other Michigan businesses in the same industry was taken into consideration when recommending the amount and length of this tax credit.

#### **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 263 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$2.6 million (current dollars) due to the presence of this facility.

#### **BUSINESS CASE**

Michigan is competing for this investment and retention with Acument's existing facilities in Belvidere, Illinois; Rochester, Indiana; Spencer, Tennessee and Monterrey, Mexico. Its Tennessee facility has the space to house, for instance, Acument's corporate headquarters. In addition, Acument's Michigan facilities require the company's highest fully-loaded wage and benefit costs (these costs are 22 percent higher). Acument has also experienced increasing electricity rates in Michigan. A MEGA Tax Credit would help address the difference in labor costs of its Michigan employees and make the retention of its corporate headquarters in Michigan possible.

#### **OTHER STATE AND LOCAL ASSISTANCE**

The City of Fenton, the City of Sterling Heights and Grand Blanc Township are all supportive of this project and plan to offer property tax abatements in support of Acument's project. The estimated value of these incentives is currently unknown.

#### **RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent standard employment tax credit for five years for up to 150 net new employees in excess of the company's established base of 509; provided that Acument Global Technologies, Inc. maintains its corporate headquarters in the state of Michigan.