



MEMORANDUM

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Date: February 25, 2010
To: Michigan Economic Growth Authority
From: Amy Deprez, Manager
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Joshua Hundt, Project Specialist
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Subject: Briefing Memo – Advanced Integrated Tooling Solutions LLC
Standard MEGA Credit

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COMPANY NAME

Advanced Integrated Tooling Solutions LLC
2805 Plano Parkway - Suite 100
Plano, Texas 75074-7418

HISTORY OF COMPANY

Advanced Integrated Tooling Solutions LLC is a wholly owned subsidiary of Advanced Integration Technology, Inc. (AIT). AIT founded in 1992, and has a long track record as a leading global provider of turnkey aerospace factory automation, including the design, fabrication, installation, and maintenance of fully-integrated plant-floor systems. AIT's technology includes automated alignment and positioning systems for final assembly, patented drilling systems, and automated drilling systems.

The company has current programs in the commercial, business, and defense aerospace industries. AIT has locations in Texas, Washington, Canada, Spain, and Sweden.

AIT currently does not have any employees in Michigan.

PROJECT DESCRIPTION

The proposed project is for Advanced Integrated Tooling Solutions to manufacture a broad range of custom equipment, machines, and tooling to be used in the manufacture and assembly of commercial, business, and military aircraft in Chesterfield Township, Macomb County. The facility will manufacture products for both U.S. and international customers.

AIT will invest approximately \$13.3 million and create 275 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$962. The company 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 1,385 jobs in the state by the year 2017. Total state government revenues through the year 2017, net of MEGA costs, would be increased by \$38.8 million (current dollars) due to the presence of this facility.

BUSINESS CASE

AIT also considered Texas, Ohio, and Pennsylvania for this project. The company cited lower wages and taxes in Texas when compared to the Michigan location. A Texas location for this project would also be closer to the company's corporate headquarters in Plano, Texas. All three states offered competitive incentive packages for this project.

The company believes that a skilled workforce is important for their project. The Michigan advantage is its strong engineering and manufacturing base, primarily in the auto industry, which should transition readily into aerospace equipment design and manufacture.

OTHER STATE AND LOCAL ASSISTANCE

Chesterfield Township is supportive of this project and anticipates approval of a tax abatement under PA 198. The estimated value is not known at this time.

RECOMMENDATION

Based on the factors described above, the Michigan Economic Development Corporation recommends a 75 percent standard employment tax credit for eight years for up to 275 net new employees in excess of the company's established base of 0.