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Money-back guarantee

By Larry Clark

Incentives from Hickory and Catawba County sealed a deal for 80 new jobs and a \$13 million investment.

Money repaid to Turbocoating Corp. illustrates how a minimal return on property taxes can lure new business. The money isn't a simple give-away, however. It's based on performance standards.

The Hickory City Council approved \$195,000 for Turbocoating. Catawba County commissioners OK'd \$208,652.

Turbocoating is an Italian company that applies special coatings to industrial gas turbines and aero engines. The coatings protect the interior parts of turbines and jet airplane engines from extremely high operating temperatures.

The company was looking for a facility close to Charlotte, the location of a primary customer. Turbocoating's customers include Siemens, GE, and Rolls Royce.

The \$13 million investment and 80 jobs are the minimum performance standards the company must meet to get its money back from Hickory and Catawba County. If Turbocoating spends \$15 million and produces 110 jobs, the city's payout would increase to \$243,750, and the county's to 260,815.

The incentives are bolstered by a \$110,000 grant from the One North Carolina Fund, a state program.

Hickory will pay Turbocoating \$48,750 per year for four years, as long as the company stays on track to complete the minimum investment and number of jobs called for in the agreement.

If the company's investment reaches \$15 million and 110 jobs are created, Hickory will add a fifth-year payment of \$48,750. The payment is based on a percentage of the anticipated ad valorem taxes from Turbocoating.

The county incentive works the same way, over the same four- or five-year period.

If Turbocoating does not meet the terms of the agreement, the payments can be canceled.

The company plans to lease the former 60,000-square-foot Corning Cable Systems facility off Tate Boulevard in Catawba Industrial Commons. It's a 10-year lease.

Salaries are expected to be well above the county's average wage of \$34,000 a year. Turbocoating officials say annual salaries will average more than \$50,000.

Nelso Antolotti, company president, said, "We are looking forward to working with the people of Catawba County and Hickory."

Julie Pruett, director of recruitment for the Catawba County Economic Development Corp., said the EDC worked with

Turbocoating for almost a year before Hickory was selected as the site for its new facility. The company looked at potential sites in North Carolina and South Carolina.

By the Calendar

Here's a look at the schedule of tax and incentive payments to recur each year of the incentives agreement:

- * By Jan. 5 – Turbocoatings makes property tax payment to Catawba County.
- * By March 5 – Turbocoatings provides proof of payment and invoice for reimbursement.
- * By April 15 – The company provides property tax listing to the county tax office.
- * By April 22 – County tax office provides tax listing for budgeting purposes.
- * By May 1 – EDC provides budget for incentives to Hickory finance department.
- * By May 5 – EDC reviews request for payment and forwards request to Hickory city manager for payment.

NOTE: During this time frame, the county also processes request for payment.

Catawba County and Hickory have use of Turbocoating's tax payments until portions of the payments are reimbursed.