

# CITY OF HIGH POINT

## AGENDA ITEM



**Title:** HAECO Americas / TIMCO Aerosystems expansion project

**From:** Loren Hill and Sandy Dunbeck  
High Point Economic Development Corp.

**Meeting Date:** July 20, 2015

**Advertising Date:** July 10, 2015

**Public hearing:** yes

**Advertised by:** High Point EDC

**Attachments:** legal notice

---

### PURPOSE:

- City Council will consider a request from HAECO Americas / TIMCO Aerosystems to authorize up to \$147,000 in performance-based incentives. The company proposes to create 147 full-time jobs.

### BACKGROUND:

- HAECO Americas / TIMCO Aerosystems is an important part of the Piedmont Triad's ever-growing aviation cluster. In our region, HAECO has facilities on the grounds of Piedmont Triad International Airport (PTIA) and in the Town of Wallburg. The company is a full-service provider of airframe maintenance, repair and overhaul, line services, engine repair, and aerospace manufactured products – to serve a broad array of commercial, government, and military customers.
- TIMCO was founded in 1990 at PTIA. In 2014, TIMCO was acquired by HAECO, which was established in Hong Kong in 1950 and is one of the world's leading aircraft engineering and maintenance groups.
- The company is considering buying the 250,000-square foot building located at 8010 Piedmont Triad Parkway. At that location, the company would locate its aircraft engineering and aircraft interiors manufacturing operations.
- HAECO would create 147 jobs over a five-year period at the new High Point facility. The average wage of those jobs – technicians, engineers, and support staff – would be approximately \$60,000.
- Almost 400 employees would work in the building, since 252 workers would also be transferred there.
- In addition to buying the building, the company anticipates adding \$5.75 million to High Point's tax base – through building renovations, new equipment, and equipment relocated to this proposed location.

### BUDGET IMPACT:

- If the company meets all of the benchmarks outlined in a performance agreement, it could receive up to \$147,000 in installment payments over a three-year period. The source of that funding would be the City's Economic Development Incentive Fund, which is funded by general and electric revenues.

### RECOMMENDATION / ACTION REQUESTED:

- The HPEDC staff recommends that the City Council authorize up to \$147,000 in performance-based incentives for the HAECO Americas expansion project at 8010 Piedmont Triad Parkway. The City Council authorizes the city manager to execute a performance agreement with the company, containing benchmarks for the company to achieve and a schedule for the payment of such financial assistance.