

**JOINT
HENRY COUNTY BOARD OF SUPERVISORS
AND INDUSTRIAL DEVELOPMENT AUTHORITY
MINUTES**

January 31, 2014 – 10:45 am

The Henry County Board of Supervisors and the Henry County Industrial Development Authority held a joint meeting on January 31, 2014 at 10:45 am in the Fourth Floor Conference Room of the County Administration Building, King's Mountain Road, Collinsville, Virginia.

The following Board members were present: Chairman H. G. Vaughn, Vice Chairman Tommy Slaughter, Debra Buchanan, Milton Kendall, Jim Adams and Joe Bryant.

The following Industrial Development Authority members were present: Chairman Len Dillon, Vice Chairman Barry Helmstutler, Wesley Caviness, Rodney Thacker, Wade Nelson, Steve Isley, and Marshall Stowe.

Staff members present were Tim Hall, County Administrator and Michelle Via, Administrative Assistant.

Ben Williams of the Martinsville Bulletin was present.

CALL TO ORDER

Board of Supervisors

Chairman Vaughn called the Board of Supervisors meeting to order at 10:45 am.

Industrial Development Authority

Chairman Dillon called the IDA meeting to order at 10:45 am.

CONSIDERATION OF PERFORMANCE AGREEMENTS WITH KILGOUR INDUSTRIES/KILGOUR AEROSPACE

Mr. Hall presented two Performance Agreements for consideration by the Board of Supervisors and Industrial Development Authority (Copies included in Board's File). One agreement is between the County of Henry, the Virginia Tobacco Indemnification and Community Revitalization Commission, and Kilgour Industries Ltd. for grant funds in the amount of \$1,155,000. The second agreement is between the County of Henry, the Henry County Industrial Development Authority, and Kilgour Industries Ltd. /Kilgour Aerospace, LLC for grant funds in the amount of \$250,000 from the Governor's

Development Opportunity Fund. Both agreements include similar requirements: capital investment of approximately \$27,300,000 of which approximately \$23,300,000 will be invested in machinery and equipment, and approximately \$4,000,000 will be invested in the construction of a new building; creation of at least 155 new jobs; and meet both capital and employment obligations within 36 months after the end of the base period.

As an additional incentive, Mr. Hall said the County will convey Lot 17A in the Patriot Centre, consisting of +/- 17 acres and assessed at \$685,000, to Kilgour Industries.

Mr. Hall introduced Ray Kilgour, President and CEO of Kilgour Industries, and Jamie Kilgour, Vice President, and asked them to explain what their company does. Mr. Ray Kilgour said they have three facilities in the UK which machine, treat and test aerospace components. Mr. Kilgour said what makes his company unique and desirable is the fact that they machine and perform surface treatments for both soft and hard metals such as aluminum and titanium.

Mr. Joe Anwyl with the Commonwealth Center for Advanced Manufacturing (CCAM) said much of the credit for Kilgour's move to Virginia can be attributed to aerospace engine manufacturer Rolls-Royce's decision to locate facilities in Virginia. Mr. Anwyl said several other factors made the area appealing for Kilgour including its proximity to other aerospace firms in North and South Carolina, Washington, D.C. and much of the East Coast, as well as the low cost of living and dedicated workforce. Additionally, Kilgour officials' interest in the area was piqued when they learned of the advanced manufacturing equipment that will be in the new NCI building which includes a Mazak machine that they currently use in the UK. Lastly, Mr. Anwyl said the Martinsville-Henry County Economic Development Corp. played a major role in the company's location decision as well. Mr. Anwyl commended the EDC as possibly the best he has worked with from all over the world.

Board of Supervisors

Mr. Adams moved that the Board of Supervisors approve both performance agreements as outlined, seconded by Ms. Buchanan and carried 6 to 0.

Industrial Development Authority

Mr. Helmstutler moved that the Industrial Development Authority approve both performance agreements, seconded by Mr. Nelson and carried 7 to 0.

There being no further business, Mr. Adams moved that the Board of Supervisors continue its meeting until February 6, 2014 at 2:45 pm, seconded by Mr. Bryant and unanimously carried.

Mr. Nelson moved that the Industrial Development Authority continue its meeting until Tuesday, February 4, at noon, seconded by Mr. Helmstutler and unanimously carried.