



New industry expects to employ 172

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An industrial park jointly operated by Smyth and Washington counties has its first occupant. Gates Corp., a Denver-based unit of North American Hydraulics, will invest \$8 million in customizing a shell building in Highlands Business Park at Glade Spring. Company officials expect to begin hiring 172 workers this summer.

The jobs will pay "a little better than the average wage in the area," said Scott Day, director of manufacturing for North American Hydraulics for Gates Corporation

"Hopefully by July, we'd like to start interviewing, start the hiring process," said Day. Day said the company will produce hydraulic assemblies at its new facility, beginning in September.

Virginia Secretary of Commerce and Trade Patrick O. Gottschalk officially identified Gates as the new industry and said it is the "largest non-tire automotive parts manufacturer in North America."

Mike Cottrell, vice president of North American Hydraulics, Gates Corporation, said the company was founded in 1911 and "made studded leather tire covers." The company Web site said Charles Gates Sr. bought the Colorado Tire and Leather Company that year for \$3,500. "Colorado Tire and Leather made a single product, the Durable Tread, a steel-studded band of leather that motorists fastened to their flimsy car tires to extend their mileage," the Web site said.

In 1917 Charles Gates' brother John Gates "invented the rubber and fabric V-belt. It was a huge success and within a decade Gates established itself as the world's largest manufacturer of V-belts, a title it still holds today," the Web site said. V-belts transmit automotive engine power to turn pulleys operating systems like water pumps and power steering.

The V-belt was a "springboard for development" for the company," Cottrell said.

The Gates family sold the company to the British firm Tompkins PLC in 1996. Tompkins is a \$7 billion company employing 20,000 worldwide, Cottrell said.

As part of its incentive package to locate here, Gates was given the building free of charge, though construction cost was nearly \$1 million in state and local dollars, said Christy Parker, assistant county administrator in Washington County.

One-third of the cost came from the Governor's Opportunity Fund, one-third from Tobacco Commission funds and one-third was county money.

Parker said she believes the local expenditure, which is shared between Smyth and Washington counties, is a good investment.

"It'll take a couple years, but we'll get every cent of it back," she said.

Cottrell said the Glade Spring site selection process "started with a fairly wide net" that was "narrowed" and culminated in "working very cooperatively with local officials.

Officials see this first announcement in the park as a signal that others will follow. "This is the first and it won't be long until this park is full," said Smyth County Supervisors Chairman Charlie Clark.

Highlands Business Park, jointly operated for the two cooperating counties by the Smyth-Washington Regional Industrial Facilities Authority – called SWIFA by officials -- has nine or ten more available sites, said Clarence “Con” Smith.

Through SWIFA, the two cooperating counties “go halves” in economic development at the site in a revenue and expense sharing agreement, according to Russell Owens, SWIFA chairman. “This is not the first partnership” of its kind, he said, “but it is a model for Virginia.”

The park was developed with loans, to be repaid this month, Owens said, from the Virginia Economic Development Partnership and the Appalachian Regional Commission.

At the end of the announcement, before the gathering sat down for a catered luncheon in the shell building, Owens said, "I've been keeping a key in my pocket for this building for a long time. Today, I'm giving it away." Owens then presented the key to Scott Moore, who will manage the plant.

“We won’t be your largest employer,” Moore said, “but we want to be one of the best.”

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Debra McCown, Bristol Herald Courier, contributed.