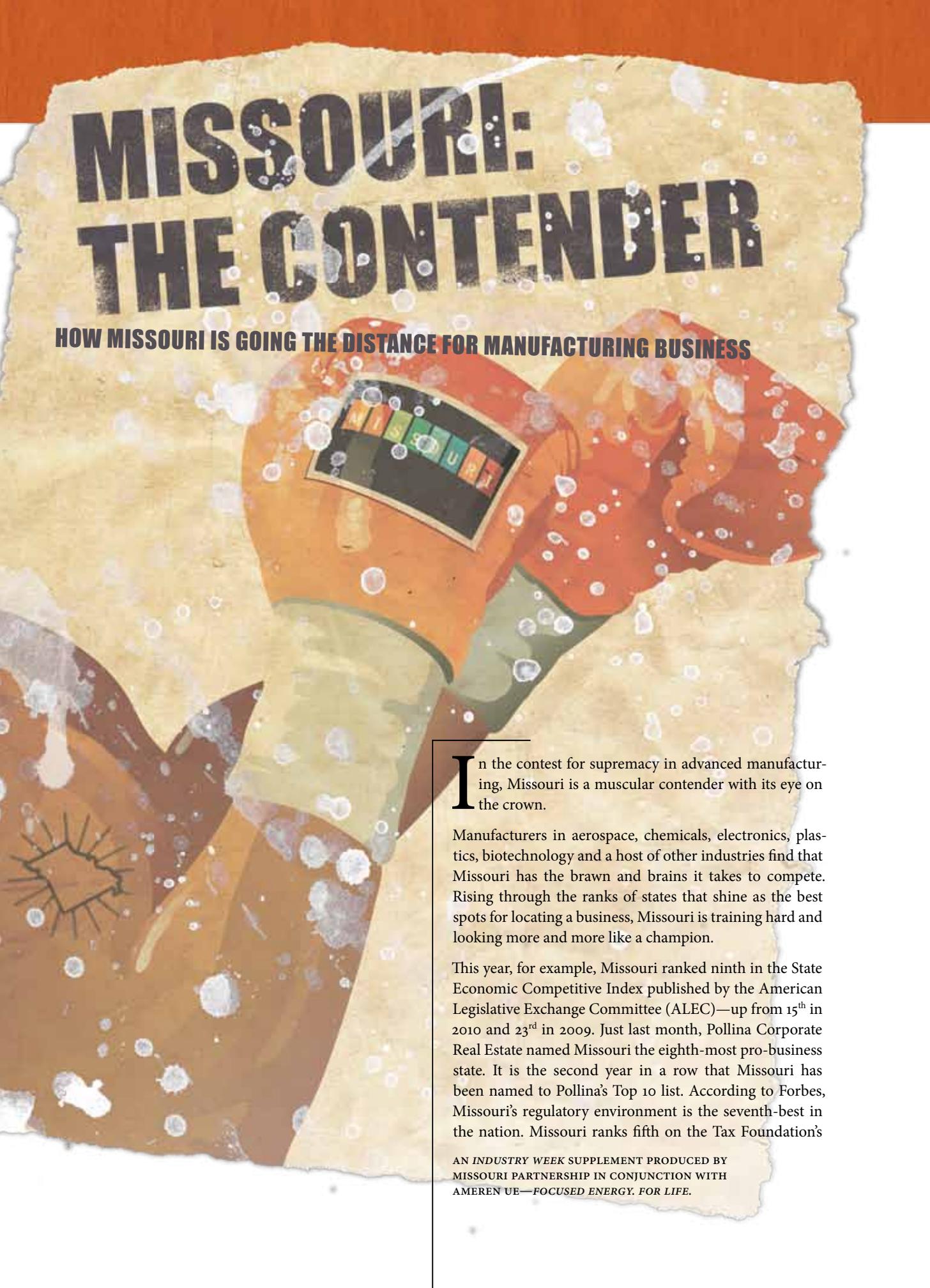


# MISSOURI: THE CONTENDER

HOW MISSOURI IS GOING THE DISTANCE FOR MANUFACTURING BUSINESS



**I**n the contest for supremacy in advanced manufacturing, Missouri is a muscular contender with its eye on the crown.

Manufacturers in aerospace, chemicals, electronics, plastics, biotechnology and a host of other industries find that Missouri has the brawn and brains it takes to compete. Rising through the ranks of states that shine as the best spots for locating a business, Missouri is training hard and looking more and more like a champion.

This year, for example, Missouri ranked ninth in the State Economic Competitive Index published by the American Legislative Exchange Committee (ALEC)—up from 15<sup>th</sup> in 2010 and 23<sup>rd</sup> in 2009. Just last month, Pollina Corporate Real Estate named Missouri the eighth-most pro-business state. It is the second year in a row that Missouri has been named to Pollina's Top 10 list. According to Forbes, Missouri's regulatory environment is the seventh-best in the nation. Missouri ranks fifth on the Tax Foundation's

AN INDUSTRY WEEK SUPPLEMENT PRODUCED BY  
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# MISSOURI ★ THE CONTENDER ★

list of lowest corporate income tax rates in the U.S. and ninth among states with the lowest unemployment insurance taxes.

Moderate prices in many other areas also make Missouri an up-and-comer. In June, CNBC placed Missouri at number eight for low cost of living, up from nine in 2010. Even more significantly, Missouri ranked number three in the network's list of states with the lowest business costs, up from five in 2010.

One of several factors behind that ranking was the state's economical energy supply. According to the U.S. Energy Information Administration, Missouri's average industrial electricity costs in 2010 were tenth lowest in the nation. And the Small Business and Entrepreneurship Council ranked Missouri number three among states for low overall business energy costs, including electricity and fuel.

State tax exemptions also keep expenses low for Missouri's manufacturers. Available incentives include: an exemption on sales and use tax for machinery and equipment used to establish a new facility or expand an existing one; a property tax exemption for inventories; and an exemption on state sales tax and local use tax for energy purchases.

Along with competitive costs, Missouri boasts a large and well-educated workforce endowed with a strong work ethic and a long manufacturing heritage. Missouri's three million workers make it the only state in the Midwest with a workforce to match those found in states on the U.S. coasts. That labor pool and the state's low business costs make for a powerful one-two punch.

The number of skilled employees in Missouri is greater than the entire populations of 19 states, including surrounding Kansas, Arkansas and Nebraska. Approximately 247,700 Missouri residents—9.5 percent of the state's total work force—work in manufacturing for more than 7,000 companies. Of those manufacturing workers, 21 percent—54,600 in all—work in advanced manufacturing.

Many of Missouri's employees bulk up their manufacturing skills in the 13 colleges throughout the state that offer courses and associate degrees in precision production trades. In addition, the state's colleges and universities grant more than 3,300 BS degrees in engineering or engineering technology each year. Extensive educational resources, paired with wages below the national average, ensure that Missouri's employers get excellent value for their money.

Besides grooming workers for industry careers, and helping current workers upgrade their skills, Missouri's institutions of higher learning are helping to advance the state of manufacturing. Businesses benefit from programs at knowledge centers such as:

#### University of Missouri

- Missouri Industrial Assessment Center
- Center for Engineering Logistics and Distribution

#### Missouri University of Science and Technology

- Center for Aerospace Manufacturing Technologies
- Electronic Materials Applied Research Center
- Intelligent Systems Center
- Materials Research Center
- Design Engineering Center



Missouri Partnership is a public-private, non-profit corporation with two principal missions: to promote the state's business advantages nationally and internationally and to assist new employers exploring relocation options. Whether your company is looking to expand to support continued growth or relocating for a competitive edge, the Partnership's team of seasoned economic development professionals is standing by to help.

Ameren Missouri, Missouri's largest electric utility, provides electric service to 1.2 million customers across central and eastern Missouri, including the St. Louis metropolitan area. The company's electric rates are among the lowest in the nation. Ameren Missouri is also the state's third largest distributor of natural gas, serving 126,000 customers in more than 90 communities. With a service area of 24,500 square miles, Ameren Missouri has invested more than \$1 billion in recent years in improving reliability and installing sophisticated air emission controls to protect the environment we all share. That commitment to providing reliable, safe, clean energy is part of Ameren's Focused Energy. For Life promise to our customers, communities and investors. The men and women of Ameren—over 9,000 strong—are focused on making sure that the energy our customers and communities need to live, work and grow is there—for today, for tomorrow, for life.

### Missouri State University

- Center for Applied Science and Engineering

### St. Louis Community College

- Emerson Center for Engineering Manufacturing

### Washington University

- Center for Materials Innovation

A prime position in the center of the U.S. is another factor that makes Missouri a powerful competitor. A production facility in Missouri has easy access to both suppliers and customers: the state stands within 600 miles of 52.1 percent of all manufacturing establishments in the U.S. and 51.1 percent of the country's population and households.

The variety and quality of transportation options in Missouri also make it a prime location for manufacturing. In 2011, CNBC's America's Top State for Business ranked Missouri's transportation assets and infrastructure among the top ten in the nation, based on the value of goods shipped by air, land and water, along with the availability of air travel and the quality of the state's roads.

Missouri offers 1,181 interstate miles (including I-70, which passes through ten states) and more than 109,000 commercial trailers. Four Class I railroads serve Missouri, and Kansas City and St. Louis respectively boast the second- and third-largest railroad terminals in the U.S. Missouri's manufacturers also benefit from more than 1,000 miles of navigable waterways, which offer economical barge transportation to 29 industrial centers with a combined population of \$90 million.

Rounding out the transportation options are 131 airports, including two with international service and seven others with commercial service. Kansas City's KC International Intermodal Business Center, currently under construction, will provide 8,000 acres of multi-use land for development on the airfield. At Lambert-St. Louis International Airport, an expanded foreign trade zone (FTZ) includes a total of nearly 830 acres in NorthPark, the Hazelwood Commerce Center and Lindbergh Distribution Center.



For a closer look at what's taking Missouri to the top, start with greater St. Louis, the state's largest metropolitan area. From aerospace/defense to automotive manufacturing, from electrical equipment to food and beverages, St. Louis emerges as an advanced manufacturing powerhouse.

A rich concentration of well-trained workers is one of the secrets behind the St. Louis metro's ongoing growth, says

### Advanced Manufacturing Companies In Missouri

- \* **Automatic Systems, Inc.** (HQ Kansas City): Designs, manufactures, installs and sells material handling systems.
- \* **Boeing Defense, Space and Security Unit** (HQ St. Louis): Produces military aircraft, missiles, airborne lasers and Unmanned Combat Air Vehicles (UCAVs) and serves as a prime contractor on the International Space Station.
- \* **Cook Composites and Polymers** (HQ Kansas City): Makes gel coats, composites polyester resins, coatings, resins and emulsions.
- \* **Emerson Electric Co.** (HQ St. Louis): Manufactures electrical, electromechanical and electronic products, many used to control gases, liquids and electricity.
- \* **General Motors** (St. Louis): GM's Wentzville plant produces the Chevy Express and GMC Savana vans.
- \* **Monsanto** (HQ St. Louis): A leader in biotechnology and genomics for seeds and herbicides, including Roundup, the world's most widely-used herbicide.
- \* **Olin Corp.** (HQ St. Louis): A leading producer of copper alloys, ammunition, chlorine and caustic soda.
- \* **Paul Mueller** (HQ Springfield): Manufactures and sells stainless steel tanks and industrial processing equipment.
- \* **Smith Electric Vehicles** (Kansas City): This new assembly facility, the company's only North American plant, has been producing the Newton electric truck since October 2009.
- \* **Solutia Inc.** (HQ St. Louis): Makes and markets chemicals and engineered materials for use in glass, plastics, specialty fluids and other consumer and industrial applications.
- \* **Westar Aerospace & Defense** (St. Louis and Ft. Leonard Wood): Delivers engineering, software solutions, logistics information management and IT technical support services to the U.S. Department of Defense, allied governments and select commercial customers.





Steve Johnson, executive vice president for economic development at the St. Louis Regional Chamber and Growth Association (RCGA). “Highly sophisticated workers who can add value to the manufacturing process—to me, that’s a description of St. Louis as a manufacturing center.”

Part of the credit for this talent pool goes to the region’s educational resources, such as courses at the Emerson Center for Engineering Manufacturing at St. Louis Community College to engineering programs at Saint Louis University, Washington University in St. Louis and University of Missouri–St. Louis.

Manufacturers operating in the St. Louis region include players in aeronautics and aerospace (Boeing Defense, Space and Security, for example), electrical equipment (Emerson), automotive manufacturing (General Motors), food and beverages (Anheuser-Busch, Bunge, Solae) and alternative energy (Zoltek, MEMC Electronic Materials, Confluence Solar).

One of the newest additions is Emerald Automotive, which in July made public its intention to manufacture hybrid electric vans in suburban Hazelwood. Another recent arrival is Halcyon Shades, a maker of high-tech solar control window shades that moved its manufacturing from Mexico to St. Louis.

As new companies arrive, others continue to prosper in the city they have called home for decades. One such longtime resident is Elantas PDG. A manufacturer of resin-based insulating materials for motors, generators, circuit boards and other products, Elantas has operated in St. Louis since 1919. Over the years, it has acquired at least eight competitors around the U.S. and folded them into the St. Louis operation. In 1996, the German company Altana Group bought PDG and made it part of a worldwide network of Elantas companies that manufacture products developed at the St. Louis facility.

“St. Louis has a great workforce,” says Sue Graham, president and CEO of Elantas PDG. “It’s a great place to service the North American continent from, because of the rivers and highways that are here. It’s a great place to get raw materials in and out of. It’s a great technology location because there are lots of universities and scientific organizations here.” And, she adds, the city is extremely business-friendly.

Another longtime resident, the Mallinckrodt pharmaceutical business of Covidien, traces its roots in the city back to 1867. Today, as a \$2 billion division of Covidien, the company manufactures products for imaging diagnostics as well as a variety of pharmaceuticals to treat pain.

Proximity to research institutions such as Washington University in St. Louis and Saint Louis University makes the city an ideal spot for such an operation. “We’re very engaged with those institutions,” says Matt Harbaugh, interim president and chief financial officer at Mallinckrodt. For example, the Covidien unit sponsors students to work within its research and development group.

Mallinckrodt also benefits from its access to major health care organizations such as Barnes-Jewish Hospital and SSM Health Care. “It’s a premier setup for a health care company such as ours to be able to connect and understand what is going on in those hospitals—how we can help make their lives easier, take costs out and improve conditions for patients,” Harbaugh says.

For Sigma-Aldrich, ties to the St. Louis research community stretch back to the late 1940s, when the Sigma Chemical Company started making chemicals for use in labs at Washington University in St. Louis. Today, operating in 40 countries, Sigma-Aldrich produces thousands of chemical and biochemical products and kits used in research and in high-technology manufacturing.

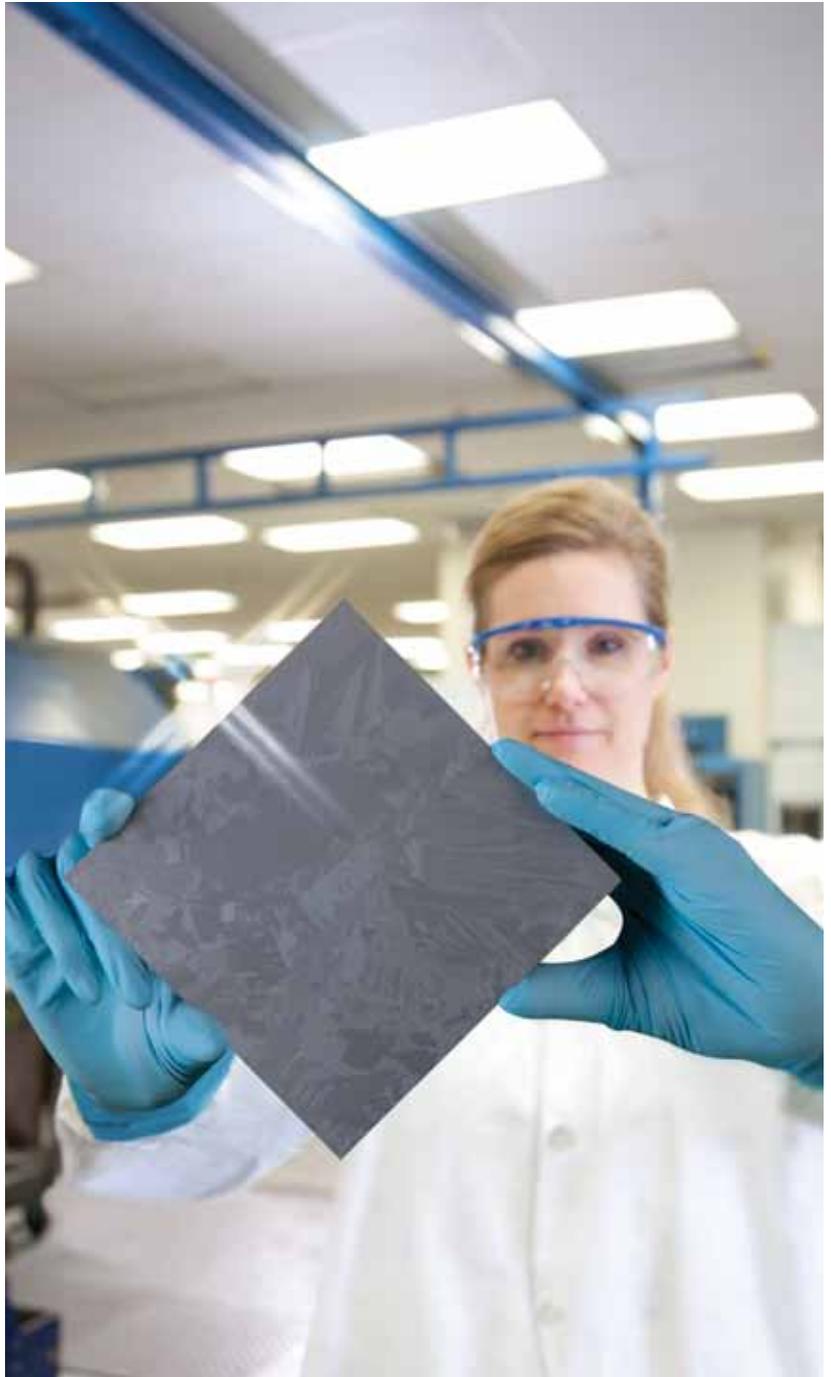
Along with its headquarters, Sigma Aldrich’s facilities in St. Louis include a major biochemical manufacturing plant, a research and development lab and a facility where employees assemble and package chemical kits for shipment to customers.

Tax credits and other assistance from the city of St. Louis have helped Sigma-Aldrich grow. One good example of cooperation between the corporation and the city included improvements to the Sigma-Aldrich Life Science Production Center on the site of some former breweries. “The city helped us to form a redevelopment area where we created a park-like, campus atmosphere with walking paths, park benches and the like,” says Franklin Wicks, president of Sigma-Aldrich Corp.’s research strategic business unit.

Like Mallinckrodt, Sigma-Aldrich gains many advantages from its relationships with the region’s universities. “Not only do we collaborate on the scientific side, but we’ve worked closely with business professors who have helped us develop strategy,” Wicks says.



St. Louis is also home to Ameren Corporation, whose Ameren Missouri subsidiary delivers electric power to 1.2 million customers in central and eastern Missouri and natural gas service to an additional 126,000 customers.



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Ameren Missouri's industrial customers enjoy rates 30 percent below the national average. "That's part of the competitive equation that Missouri puts forth to attract new business, but also to help our existing businesses grow, expand and be successful," says Mike Kearney, Ameren Corporation's manager of economic development.

As a vertically-integrated utility, Ameren Missouri generates, transmits and distributes power. About 75 percent of its electricity comes from coal-fired generation, 21 percent from nuclear plants, four percent from hydroelectric plants and slightly less than one percent from natural gas.

Ameren also is making renewable energy part of the mix. Next year, the company expects to start delivering power generated by its "Methane to Megawatts" project, a set of turbines that will convert methane captured from a landfill in Maryland Heights into electric power. When complete, this will be one of the largest such projects in the U.S.

Ameren Missouri is also positioning itself to be a trusted energy advisor when it comes to choosing solar power options. "We've added four solar technologies to our St. Louis headquarters building to provide a state-of-the-art testing ground to help our customers determine which photovoltaic components will best suit their home or business needs," Kearney says.

Ameren's economic development initiatives have helped many manufacturing businesses take root or expand in Missouri. One of those businesses is DACA Machine and Tool, a division of Valent Aerostructures located in Washington, MO. Taking advantage of an incentive package assembled by state and local officials and Ameren Economic Development, DACA added a new, 85,000-square foot building to its existing site in Washington.

Ameren also has worked with Keiper Group, a manufacturer of reclining seat systems based in Eldon, MO. Ameren's efforts helped pave the way for Keiper's \$2 million investment in four laser cutting machines in 2010 and the addition of 20 jobs. Keiper hired another 75 people and added a second building later that year.



Just 60 miles southeast of greater St. Louis, the city of Farmington offers manufacturers a combination of small town values and big town appeal.

Employers in Farmington draw from the same talent pool and take advantage of the same educational resources that

are available to businesses in the urban metropolitan area, says Walt Williams, the city's economic development director. "We have all the professionals and skill sets that are needed in advanced manufacturing."

But the city of Farmington also offers benefits that a big city can't. "The cost of living and the wage rates are much lower here," says Williams. "Our quality of life, the labor availability and the price of our land get a person's attention really fast."

A business-friendly city administration, a strong portfolio of available properties and an industrial development authority that's eager to help in any way it can also make Farmington an excellent choice for manufacturing.

"We have more than 300 acres of available land within our industrial park that is shovel-ready," Williams says. "All the lots in our industrial park have utilities and fiber optics already connected."

Besides helping a business locate the right property, Farmington's Industrial Development Authority can assist with financing. "If you're coming and you can afford it, we will build it," Williams says.

One company that enjoys the advantages that Farmington affords is SRG Global. A tier one automotive supplier, SRG Global manufactures injection molded and decorative product finished with chrome plating or paint. The plant in Farmington makes distinctive chrome plated auto parts such as the logos that identify a vehicle's make or model and decorative radiator grills. "When you see a Ford F-150 driving down the road, you know it's an F-150 just by the radiator grill," says Tom Schneider, the company's director of marketing.

Part of Guardian Industries, SRG Global became a Farmington firm when it acquired Siegel-Robert Automotive in 2008. One advantage the region offers is its labor pool, Schneider says. "The presence of an educated and available workforce is what makes us who we are. When SRG decides whether to locate in an area, or whether to stay there, the quality of local workers is a primary consideration," he says.

Another important criterion involves the ability to ship product efficiently to customers. Farmington is clearly a winner in that respect. "As automakers have migrated from the upper Midwest into the lower Midwest, having a facility in that location puts us closer to our customers, giving us a logistics advantage over somebody who's further away," Schneider says.





While the area has attracted a diverse set of corporations, several companies supply Cape Girardeau's largest manufacturer, Procter & Gamble, makers of diapers, paper towels and bathroom tissue. "With our help, they have attracted numerous companies that supply them with corrugated products and machining capabilities," Robinson says. "There's also a company here that produces plastic overwrap and other film products that are used in the P&G plant."

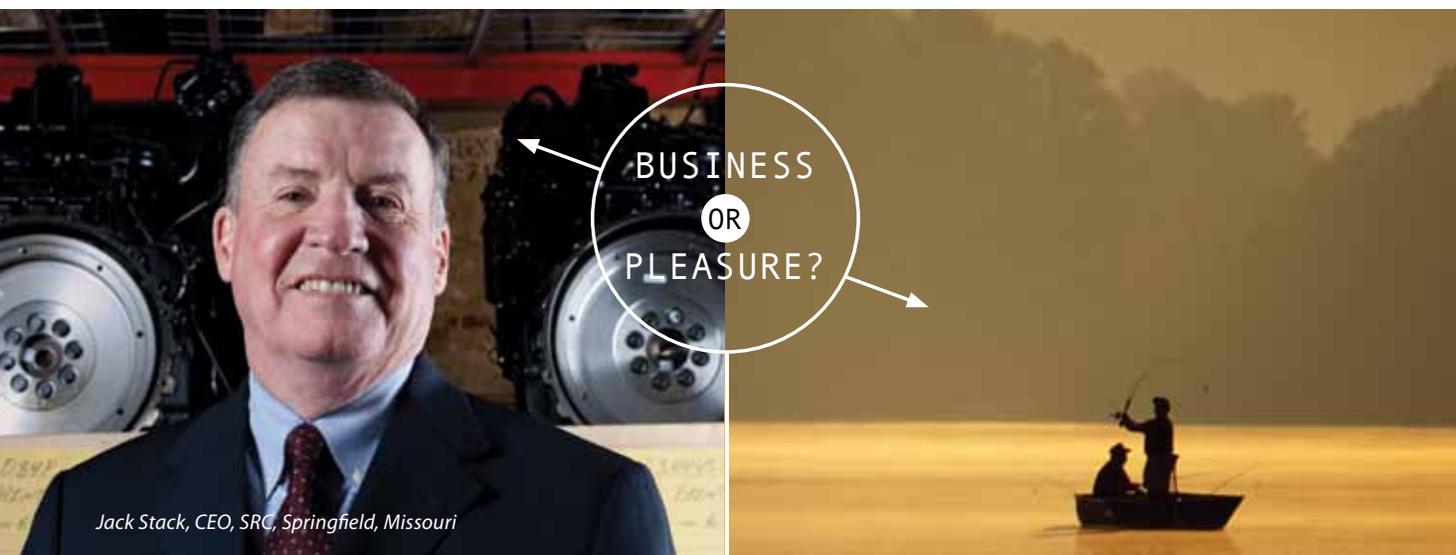
Manufacturers in Cape Girardeau gain access to just about any mode of transportation they desire. Goods flow in and out of the area by truck on I-55, by rail on the Union Pacific and Burlington Northern Santa Fe lines and by barge on the Mississippi. The major markets of St. Louis and Memphis are each just a two-hour drive away.



In Springfield, competitive business costs, excellent training opportunities and a workforce with a can-do attitude are some of the factors that make Springfield a fertile environment for manufacturing success.

Several companies in the area have built their businesses on remanufacturing, receiving mechanical components in need of repair, returning them to full operation and then selling them to original equipment manufacturers or dealers. Some are refurbishing engines for automobiles or farm equipment, says Ryan Mooney, senior vice president, economic development with the Springfield Regional Economic Partnership. "Some are doing electrical parts within an engine, such as alternators. Some will do transmissions."

One of Springfield's big success stories is SRC Holdings. The company's roots go back to 1983, when CEO Jack Stack and 12 partners bought out a failing division of International Harvester to form Springfield Remanufacturing Corporation (SRC). "We started out with the idea of taking old units out of tractors and trucks and bringing them back to new at about 50 percent of the cost of new," says Stack. Those products save money for the companies that buy them and also help the environment, since the manufacturing process involves extensive recycling.



Jack Stack, CEO, SRC, Springfield, Missouri

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# MISSOURI ★ THE CONTENDER ★

SRC has since expanded into numerous remanufacturing and manufacturing operations, including SRC Heavy Duty, SRC Automotive, SRC Electric, SRC Power Systems and others.

Since he arrived in Springfield from Chicago in the late 1970s, Stack has been impressed by the spirit of entrepreneurship that local residents bring to the workplace. "So many people here came off farms and were almost raised in self-sufficiency," he says. "When I came here, what I heard was: "Give me the tools to do the job and then get out of the way; I know how to do this."

Springfield offers other advantages to businesses as well, Stack says. "We have an incredible educational base, with five or six colleges here," he says. "There's no question that property taxes are very advantageous. There's no question that we have a lower cost of energy. We also have a lower cost of health care."

Don Flatau, general manager of global operations at John Deere Remanufacturing, agrees that Springfield provides the conditions that a business needs to thrive.

John Deere Reman was founded in 1998 as ReGen Technologies, a 50-50 joint venture between John Deere and SRC, created to remanufacture engines, engine components, electrical components and other systems for John Deere products. John Deere bought out the partnership in 2008.



The company's plant looks very much like a new-engine factory, Flatau says. "Only most of our raw material consists of parts that have been in the field already.

Those materials arrive dirty, but by the time they're ready to leave they look exactly like new," he says.

Springfield provided great support when John Deere took over the operation, Flatau says. "The community really stepped up, supporting our growth initiatives with

## DISASTERS CAN COME QUICKLY.

On May 22<sup>nd</sup>, an EF-5 tornado destroyed one-third of Joplin, Missouri, taking 160 lives and leveling 7,000 homes and nearly 600 businesses. 5,000 jobs were affected.

## RECOVERY COMES QUICKLY, TOO.

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- Debris has been cleared on schedule, thanks to efforts of 80,000 volunteers
- 2,500 employees remain on the payroll, thanks to the commitment of the city's dedicated companies
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economic development assistance.” Local hiring services lent their help, as did Ozark Technical College, which provided training programs for employees.

Like Stack, Flatau identifies the local work force as one of Springfield’s great advantages. “They’re eager to get the job done, do it correctly, do it on time, look for cost savings—all those things that it takes to have a successful business.”



The city of Joplin got its start in the 19th century as a center for zinc and lead mining. The mines all closed decades ago, but they left behind a valuable manufacturing legacy.

“We had an established base of companies here that were engaged in making equipment for the mines,” says Rob O’Brian, president of the Joplin Area Chamber of Commerce. Those companies produced a work force with well-honed skills in precision machining. As mining faded in Joplin, new companies moved in to take advantage of their skills.

Today, Joplin’s industrial base includes companies that do precision machining for the aerospace industry; RockTenn Company and Bemis Company, which both use precision processes to make food-grade packaging; and Eagle Picher Technologies, a leading manufacturer of power systems used in everything from medical devices to missiles and satellites.

Joplin made the headlines in a terrible way earlier this year when a deadly tornado tore through the town. But the city is rebuilding and is very much open for business.

Key to Joplin’s manufacturing strength is the abundance of schools in the region that train students in the skills that employers require. Both Crowder College, a two-year technical school, and Pittsburg State University (in Kansas) provide training in machining and tool and die work for manufacturing, O’Brian says. Missouri Southern State collaborates with Franklin Technology Center, a vocational high school, on programs in machining and machine tooling as well. “Southern also offers courses in computer aided design, computer aided manufacturing, quality control, applied engineering and production engineering,” he says.

Schools within commuting distance on the Kansas side of the border round out the area’s educational offerings. Kansas-based Wichita Technical Institute opened a Joplin campus a few years ago to train students for the area’s advanced manufacturing jobs. WTI offers a range of technical courses, with strong programs in electronics and

information technology, O’Brian says. The technology curriculum at Pittsburg State University includes applied engineering and one of the few university-level foundry programs in the U.S.



More than 40 manufacturing businesses have located or expanded in the five-county region of the Central Missouri Economic Development Alliance (CMEDA) in the past five years. Products made in Henry, Johnson, Lafayette, Pettis and Saline Counties include food and food preparation equipment, electrical conductors, boats, bullets, turbines, wood products and many others.

One feature that attracts these companies is the abundant pool of workers with mechanical skills, a legacy of the area’s agricultural base. “The skills inherent in the local workforce are a result of our farm culture,” says Tracy Brantner, CMEDA’s director. “Many have been working with machinery since childhood.”

Another advantage is the range of educational opportunities available, including the University of Central Missouri in Warrensburg. Through its Advanced Manufacturing Research and Development Initiative, the university offers courses in areas such as machine design, facilities engineering, production and operation management, machine tool technology, engineering planning and control, computer numerical control and robotics and automation.

One business enjoying the benefits of Central Missouri is Kays Engineering in Marshall, which manufactures deep-hole drilling machines and markets them under the DeHof and Eldorado names. The company sells its products to customers worldwide in industries such as fire arms, medical devices, construction, automotive, oil exploration and others.

President Ed Kays says he located the company in Marshall mainly because he wanted to stay in his home town. But affections aside, he cites several advantages to running his operation in Central Missouri.

“Our wages are reasonable, and our taxes are as reasonable as taxes can be,” Kays says. In addition, the area offers access to employees with a strong work ethic who are able to learn the necessary skills on the job, he says.

Just how well Central Missouri stacks up on that point became clear in 1994 when Kays Engineering purchased the DeHof company in Cranston, R.I. Kays Engineering operated plants in both Cranston and Marshall for two



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years before consolidating its operations in a new plant in Marshall.

“Compared to Rhode Island, Missouri was a much friendlier environment to do business in,” Kay says. “As far as my cost of taxes, my cost of workman’s compensation, rent, utilities—pretty much anything was much more attractive in Missouri.”

Tim Trimble, co-owner of TTG Inc. in Higginsville, also sees many advantages in Central Missouri beyond proximity to his home. TTG manufactures expanded Polytetrafluoroethylene (ePTFE), a fabric that is incorporated into filters used worldwide to clean pollution from smoke stacks.

Trimble and his business partner Jim King chose Higginsville because it stood halfway between the co-founders’ homes. But along with convenience, Higginsville offered the perfect property for the business—the former site of the Pioneer Seed Company.

“It’s a five-acre tract with five buildings,” Trimble says. Two of the buildings taken together offered about 35,000

square feet combined—exactly what the partners were looking for.”

Proximity to Kansas City has helped TTG attract chemical engineers when it needed them. And the local area offered a large pool of willing, capable workers, Trimble says. “We were able to find good, solid manufacturing skills and some solid engineering skills as well.”

Higginsville’s municipal power utility is another attraction. “We’re a big user of electricity,” Trimble says. “So finding a company that can fulfill those obligations by putting in the equipment and then maintaining a nice, steady utility rate over the years means a lot.”

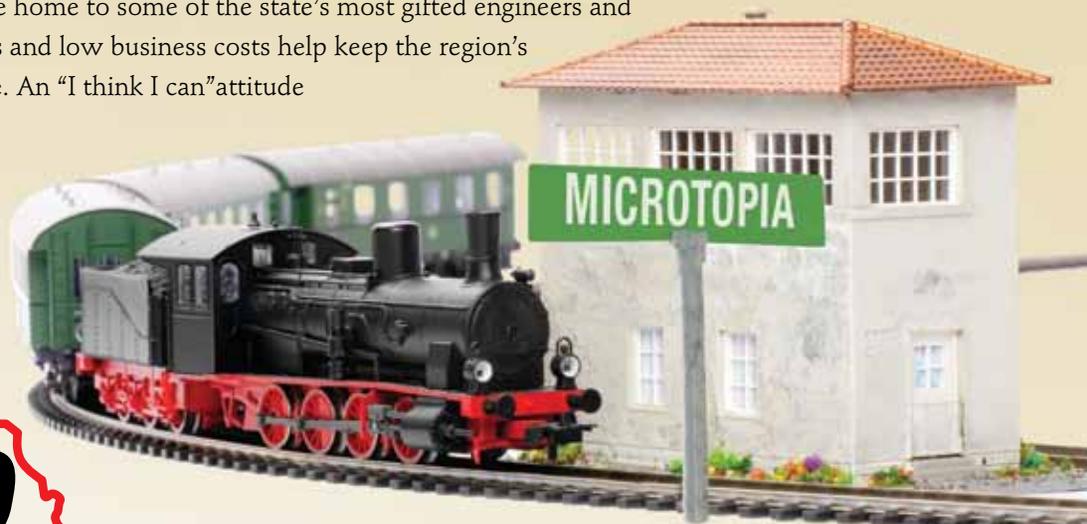
★ ★ ★

Northeast Missouri has attracted a good deal of manufacturing investment in recent months. Last December, for example Vest-Fiber, a Danish manufacturer of fiberglass products that serves the wind turbine industry, announced that it would invest \$2 million in a new plant in Moberly. In May, Doyle Equipment Manufacturing Company announced plans to move its headquarters and agricultural

An Industry Week Special Section **12** September 2011

## The little engine that could...

Small cities can be big engines for growth when they have the determination, the education and the resources to keep things humming. This is particularly true of the West Central Missouri region, often referred to as “Microtopia.” West Central Missouri is comprised of 5 counties and dozens of self-sustaining micropolitan communities which are home to some of the state’s most gifted engineers and technicians. Low taxes and low business costs help keep the region’s companies competitive. An “I think I can” attitude keeps them on track.



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equipment plant to Palmyra. And in July, Moberly-based Finspeed announced that it would expand the plant where it manufactures automobile performance parts.

Location is one of the big draws that brings manufacturers to Northeast Missouri, says Denise Bennett, chairman of the 14-county Northeast Missouri Development Partnership. "We're an equal distance between New York and Los Angeles. And if you want to do business in Canada or Mexico, we're halfway between those two as well." Major highways serving the region include I-70 in Missouri and I-72 nearby in Illinois, plus the four-lane U.S. highways 36, 63 and 61.

One local operation where officials recognize the value of the transportation network is Mamtek U.S. in Moberly. By the end of this year, Mamtek expects to become the first company in the U.S. to produce

the artificial sweetener sucralose—a process that requires a continuous supply of chemicals.

"That part of the country is well served with chemicals by rail and road," says Lindsay Leveen, chief operating officer and chief technology officer at Mamtek U.S. Also, the international airports in St. Louis and Kansas City provide the air freight services the company requires, he says.



Ribbon cutting for Mamtek U.S. in Moberly, Missouri

Mamtek U.S. is a subsidiary of Mamtek Holdings, which also operates a plant in Fujian, China. The Moberly plant is under construction, with plans to start operating at the end of this year.

Along with the location and transportation infrastructure, a package of state and local incentives was instrumental in attracting Mamtek U.S. to Moberly. Missouri provided \$14.4 million in tax credits, a \$2 million Community Development Block Grant award,



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\$800,000 for job training and \$368,000 for employment recruitment and referral services. The City of Moberly contributed another \$500,000 in grants and services, plus \$37 million in bond sales and another \$8 million from private investors.

Competitive pricing for both electricity and natural gas helps to make Moberly a prime location, Leveen says. “Also, that part of the United States has good, well-educated labor at a decent price. The University of Missouri in Columbia is not far away, with good chemical engineers and mechanical engineers.”

Education opportunities are abundant in Northeast Missouri. The region is home to Truman State University in Kirksville which has earned the nick-name “Harvard of the Midwest” for its academic excellence. A.T. Still University which also calls Kirksville home, recently announced a new dental school that will be added to its medical school.

While attracting startups such as Mamtek U.S., Northeast Missouri also provides the conditions that help long-established manufacturers continue to grow. The roots of Orscheln Products go back to a trucking business founded by the Orscheln brothers in the 1930s. Having made improvements to the parking brakes in their own trucks, the Orschelns started manufacturing braking systems for sale to others. Today, the company makes control and measuring systems for on- and off-highway vehicles, aircraft, marine vessels and military vehicles.

Responding to industry trends in recent years, Orscheln has been busy adding electronic control systems to its traditional line of mechanical products. “In order to support that, we’ve added design, development and manufacturing capability in those areas,” says Wayne Soucie, the company’s manager of new product development. To fill its need for talent in electronics design and software design and development, Orscheln has been hiring professionals and investing in companies with the capabilities it needs. The University of Missouri in Columbia and Missouri University of Science and Technology in Rolla have been particularly good sources of talent, he says.

A sister company of Orscheln Products, Moberly-based Elisha Technologies, is an innovator as well. Elisha Technologies’s claim to fame is the Electrolytic Mineral Coating (EMC) process, an environmentally friendly technology for inhibiting corrosion.

EMC is based on silicate—essentially, sand. “It uses a liquefied silicate system plus electricity to create an environment for a chemical reaction to take place on a zinc or zinc alloy part,” says Dennis Winn, new products development manager at Elisha Technologies and Orscheln Products. The resulting substance is so thin that it conforms exactly to the shape of any surface to which it’s applied.

Truck manufacturers use the coating to protect roll top doors against rust, and Pella Corporation uses it on windows, Winn says.

People—both the area’s skilled employees and local government officials—make Moberly a great place to operate Orscheln Products and Elisha Technologies, says Winn. “The City of Moberly and the county commissioners have worked with us whenever we’ve needed their assistance.” Training opportunities available through Moberly Area Community College are a big plus as well, he says.

People also are key to the success of another pair of local companies, Perry Machine and Die—located in Perry—and Continental Castings. Founded in 1974, Perry Machine and Die makes injection-molded products for everything from emergency brake components to bird houses to household totes. It also does precision machining and tool and die making.

In the late 1990s, the company spun off much of its casting business to form Continental Castings, with plants in Monroe City and Palmyra. That business primarily serves the automotive and electronics industries.

“We were always a family business, but the bigger you get, the more you have to diversify and have good people surrounding you,” says David Berry, president of both companies. Fortunately, Northeast Missouri has long been home to numerous automotive industry suppliers, so employees with automotive die casting experience are easy to find.

For the plastic business, the region provides access to a strong local customer base. “When the recessions kicked in ’02 and ’09, we were always strong on the plastics side because there’s so much variety in the market that the company serves,” Berry says.

As Berry, Winn and others can attest, Missouri really does have all the makings of a champion. With a powerful labor force, excellent training resources, top flight research institutions, an outstanding transportation network and a location that gives businesses easy access to their vendors and markets, Missouri is clearly a contender on its way to the top.

## Manufacturing assets are putting **Northeast Missouri** on the map.

International manufacturers like VestFiber and Mamtek have found their way to Northeast Missouri, and the region continues to attract attention from all over the globe. It's no big surprise. Companies always try to pinpoint low business costs, unsurpassed transportation access, and a high quality of life. They can find them all in Northeast Missouri.



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