

NEW LEADERSHIP AT IDED



Mary Lawyer,
IDED Acting Director

Governor Tom Vilsack has named Mary Lawyer acting director of the Iowa Department of Economic Development (IDED).

Lawyer, 39, a native of Webb, Iowa, has

been with the Department since 1990. She has served as deputy director since 1999. She holds a Bachelor's degree from Iowa State University.

"Mary's knowledge and expertise will be a great asset as we strive to continue our economic momentum," Governor Vilsack said in making the appointment. "She has a deep understanding of our responsibility to continue building upon our strengths in all corners of the state and she will be a source of stable leadership during the remainder of the administration. I look forward to working with her in promoting the state through the Vision Iowa and Iowa Values Fund initiatives, and in capitalizing on the recommendations of the Battelle Institute."

The change occurred after the Governor accepted the resignation of Mike Blouin as IDED director effective July 8.

"Mike Blouin has been essential in our efforts to transform the state's economy. He has worked with Iowa communities, as well as business and labor organizations to expand opportunity in Iowa. Because of his tremendous efforts, we are leading the nation in economic growth and have made gains in strengthening personal income," Governor Vilsack said. "On behalf of all Iowans, I thank him for his dedication to making Iowa a great place to do business."

Lawyer has named Tina Hoffman as acting deputy director.

Success of the Iowa Values Fund

Site preparation for the high profile corporate center of Wells' Dairy Inc., assisted by the Iowa Values Fund and tax credits from the Iowa Department of Economic Development (IDED), is under way in Le Mars. Although completion is not expected until the fall of 2006, Wells Dairy already has begun hiring the 152 additional employees who will work there.

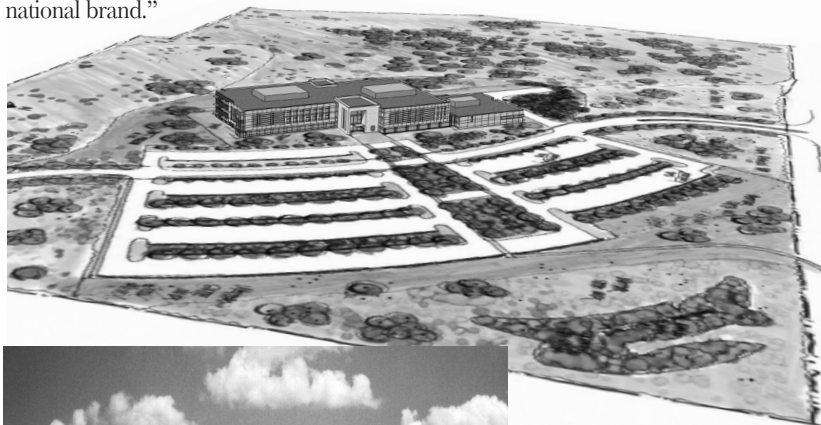
The 178,000 square foot, \$26 million corporate center will be one of the first landmarks that visitors see as they drive into Le Mars on the new Highway 75 bypass.

Wells' Dairy CEO Gary Wells said, "The new facility will be the corporation's greatest asset in bringing people together to work collaboratively and improve our ability to work in teams. Effective teamwork will be absolutely necessary to help us achieve our goal of becoming a top three national brand."

"Once again the Wells family is demonstrating its leadership by opening up a new area for growth and setting the stage for future economic development for years to come," said Neal Adler, Executive Director of Le Mars Business Initiative Corp. (LBIC), which will own the corporate center and lease it to the company.

Partners in the project with LBIC through economic development programs are the City of Le Mars, Plymouth County, North West REC and IDED. The company considered locations in other states but decided to stay home and expand in Iowa.

Wells' Dairy, Inc. is the largest family owned and managed dairy processor in the United States. With the largest ice cream plant in the world in the community, Le Mars calls itself the Ice Cream Capital of the World.



Wells' Dairy is locating its new corporate center on 59 acres purchased by the Le Mars Business Initiative Corp. southwest of the city of Le Mars.



OPN Architects designed the Wells' Dairy corporate center with offset sections: the one-story section represents the pilot plant, the next section is the research and development area, the central wedge shape is the main lobby entrance to the three-story office wing and serves a circulation point to the other sections.



Cargill announces Iowa Falls expansion

Cargill has announced plans to construct a 37.5-million-gallons-per-year biodiesel plant and 30-million-pounds-per-year glycerin refinery in Iowa Falls, adjacent to its existing soybean crush facility. Eleven full-time employees will be hired to operate the new \$33 million facility. Pending regulatory permitting approvals, construction will begin this summer, with biodiesel production commencing in April 2006.

The Iowa Department of Economic Development has approved the project for Enterprise Zone tax benefits and a \$400,000 award from the Value Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP).

Initially, the plant will produce biodiesel and glycerin exclusively from soybean oil, but

Cargill officials expect to have the capability for using animal fat or waste grease for biodiesel in the future.

“We are proud of the mutually beneficial relationship that Iowa Falls and Cargill continue to experience,” said Cargill Vice President Jim Sutter. “We see this proposed biodiesel facility as a natural extension and complement to this relationship and thank the city for its support.”

Cargill’s grain and oilseeds facility in Iowa Falls produces soybean meal and soybean oil for animal feed and food manufacturers.



Major Grain Millers expansion in St. Ansgar

A \$26.7 million expansion at Grain Millers, Inc., in St. Ansgar will add 44 jobs to the workforce and new processing capabilities over the next three years. One of North America’s largest specialty milling operations, Grain Millers was awarded an incentive package from the Iowa Department of Economic Development that includes a \$400,000 forgivable loan and tax benefits for expanding in an Enterprise Zone.

“The St. Ansgar area has been very good to us and we are happy to make this expansion here,” said Steve Eilertson, President of Grain Millers, Inc. “Our business is a partnership between the people of this community, our customers and the employees and owners of Grain Millers. It is one that has benefited all of us in the past and will continue to do so in the future. We are happy to be working with the state to make this expansion possible and thank all that have assisted in planning and implementing our expansion.”

The project includes new processing equipment, construction of new facilities, a rail spur to unload 25-car trains and a new street constructed to the plant from Highway 105.

Formed in 1986, Grain Millers, Inc., is a privately held company that processes grain (primarily oats) for use in cereals, baking ingredients and other products.

Fareway renews commitment to Iowa

Fareway Stores Inc. has announced construction of a 250,000 sq. ft. automated distribution center for refrigerated foods in Boone. The proposed cooler facility will have a seven-level automated storage and retrieval system, a refrigerated loading area and a support office. Plans call for the new facility to be operational in winter of 2006.

With its headquarters in Boone, Fareway Stores, Inc., is the second largest private employer in Boone with about 400 employees. The Iowa Department of Economic Development has awarded tax benefits to Fareway to recruit the investment and generate 17 new jobs for Iowans.

“The only thing better than growing, providing more jobs, and serving our customers is the fact that we have the opportunity to do it right here in Iowa,” said Bob Cramer, president of Fareway Stores, Inc. “It takes partners who are committed to investing in the future, and Fareway is pleased to do its part by putting our \$22 million into expanding our operations. We are also pleased, but not surprised that the Iowa Department of Economic Development shares our commitment and we are proud to be among the many businesses who are working together to create a stronger Iowa economy.”



New expansion of Independence manufacturer

Geater Machining and Manufacturing is diversifying into growth markets with a \$1.3 million expansion of operations in Independence. The project will create 11 new jobs, retain five jobs, and has qualified with the Iowa Department of Economic Development for tax credits and refunds that lower the company's expansion costs.

"We are excited to announce this expansion, not only because it means good news for our company, but also because it means good news for our community," Jerry Bitterman, Geater CEO, said.

"Geater Machining and Manufacturing has grown over the last 40 years from a three person shop to almost 100 employees. We are proud to call Independence home, and we thank the state of Iowa and local officials for helping us make this expansion possible," said Bitterman.

Geater Machining and Manufacturing is a seven-time winner of Supplier of the Year awards from Rockwell Collins Avionics for its precision machining, finishing, sheet metal fabrication, assembly and secondary operations.

New incentive to use soy metalworking lubes

Governor Tom Vilsack has signed into law a bill that provides a \$2 per gallon income tax credit to Iowa companies that convert their shops to soybean oil-based metalworking fluids. "Soy-based lubricants are a wonderful example of university research being used to create economic opportunities throughout Iowa," said Governor Vilsack. "We must continue to encourage this kind of innovation as we strive to transform our economy and capitalize on our strengths."

According to the University of Northern Iowa's Ag-Based Industrial Lubricants (ABIL) Research Program, U.S. companies use approximately 80 million gallons of metalworking fluids annually. Soy industrial lubes and greases are the result of more than 14 years of research by ABIL, and is sponsored by the Iowa Soybean Promotion Board, the Iowa Department of Economic Development (IDED) and the U.S. Department of Agriculture.

Lou Honary, president and CEO of the IDED-

assisted company Environmental Lubricants Manufacturing (ELM) Inc., a manufacturer of soy lubricants based in Plainfield, said the bill provides a "gentle nudge" which pushes these products into a wider market.

"These products can compete on their own merit, not only because they are better lubricants for machining, but also because they are safer for workers and for the environment," said Honary.

"But, the initial cost involved in converting an operation represents an investment due to the cleaning and disposal expenses associated with changing out petroleum products."



Lou Honary, CEO of IDED-assisted Environmental Lubricants Manufacturing

CUSTOM-PAK EXPANDS DEWITT PLANT

With incentives from the Iowa Department of Economic Development (IDED), Custom-Pak is building a 70,000 square foot addition to the manufacturing facility in DeWitt and purchasing new machinery and equipment. The nearly \$2 million expansion will create 30 jobs.

IDED awarded the project \$90,000 from the Economic Development Set-Aside program and approved the expansion for Enterprise Zone tax benefits.

While thanking the city of DeWitt, the state of Iowa and his employees for the facility's progress, Custom-Pak President Jeff Anderson said, "We're excited about what's happening here. It's a good thing for all of us."

Custom-Pak is headquartered in Clinton and has product development and a production plant there. One of the world's largest blow molded parts manufacturers, Custom-Pak is a manufacturer of blow molding machinery and molds.

Growth for Techniplas

Techniplas is having 32,000 square feet added to the plant it leases in Ankeny to increase production of precision plastic parts and bring warehousing, currently off site, into the building. The Iowa Department of Economic Development has awarded tax benefits to recruit the \$4 million expansion.

Employment at Techniplas will increase with 15 new jobs as part of the expansion. The company serves customers in a variety of industries from automotive to critical care medical equipment.

Part of Dickten & Masch LLC, Techniplas offers a full range of services including engineering, rapid prototyping, tooling, injection molding and secondary services.

CALENDAR

Sept. 15

Iowa Venture Capital & Entrepreneur Conference
Iowa Events Center, Hy-Vee Hall

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Untapped investor tax credits

Tax credits rewarding individual investors for making equity investments in Iowa businesses have new momentum after being revitalized by the last session of the legislature, which extended the life of the tax credit pool and changed eligibility requirements to allow more Iowa companies to use the credits to attract investors.

Legislative changes expand the number of eligible firms by allowing businesses with up to six years of operations and net worth of up to \$10 million to qualify. Previously, the program was limited to businesses up to three years old and a net worth of up to \$3 million.

The Iowa Capital Investment Board, which authorizes venture capital tax credits, has just

certified three more Iowa businesses as eligible for the equity investor program: Mob Shopper, LLC, Davenport; Spot Trac, Inc., Des Moines; and BioProtection Systems, Inc., Ames.

“We are pleased that the legislature has made investing in Iowa startup businesses more flexible,” said Rick Neumann, chair of the Iowa Capital Investment Board. “The 20 percent tax credits for Iowa investors will now continue to attract investments that otherwise wouldn’t be there until the balance of over \$8 million in credits is used up. Although we’ve just certified three more businesses, we still have capacity to authorize many more businesses to use the tax credits.”

The new qualifying companies are technology innovators. Mob Shopper offers a text-messaging

service for businesses to communicate with customers who carry wireless phones and other devices. The trucking industry uses the Global Positioning System/cellular technology of Spot Trac to know the exact location of freight trailers across the U.S. BioProtection Systems, which is located in the Iowa State University Research Park, is developing vaccines improving U.S. biodefense capabilities.

Applications and more extensive information on this program, tax credits for investing in community-based seed capital fund investments and a complete list of the 23 Iowa companies that have been certified for individual investor tax credits may be found at: www.investiowa.com.