

NEW IBM CENTER IN IOWA

Location: downtown Dubuque

Operation: technology services
delivery center

Jobs: Up to 1,300

Incentives: City of Dubuque,
Dubuque Initiatives,
the Greater Dubuque
Development Corp.,
Iowa Department of
Economic Development



IBM's great news for Iowa

Company announces 1,300 jobs in Dubuque

IBM has announced it will open a new technology service delivery center in Dubuque, Iowa, creating up to 1,300 jobs and providing high value information technology services to IBM customers. Working with Governor Chet Culver, the Iowa Department of Economic Development, the City of Dubuque, the Greater Dubuque Development Corporation, and Dubuque Initiatives, IBM intends to employ several hundred people in downtown Dubuque by the end of this year and up to 1,300 by the end of 2010. IBM will work with institutions of higher learning in the tri-state area of Iowa, Illinois and Wisconsin for recruitment and training of potential employees.

“We selected the City of Dubuque for our new delivery center based on several criteria, including the strong positive public-private partnership within the city, its competitive business model and the talent and skills that Iowa and the Midwest have to offer,” said Mike Daniels, senior vice president, IBM Global Technology Services. “We continue to invest in IBM’s future and recruit the skilled persons we need to grow our business. The

Dubuque service center is a model for creating new opportunities and we look forward to working with the City and the State of Iowa to accomplish great things together.”

According to Iowa Governor Chet Culver, “IBM’s announcement is one more sign that people around the country are discovering what we have known all along – that with our highly skilled workforce, inviting business climate and quality of life, Iowa is a great place for business. As Governor, I will not rest when it comes to bringing jobs like these to Iowa.”

IBM has signed a 10-year lease, with optional extension years, to occupy the historic Dubuque Building in the downtown area. The City of Dubuque, Dubuque Initiatives and IBM plan to upgrade the facility to make it a “green” building, utilizing energy-efficient technology. Dubuque Mayor Roy Buol said “adaptive reuse of a historic structure in the heart of our downtown illustrates our shared commitment to sustainable development, historic preservation and community revitalization.”

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Governor Chet Culver (left) said when he sees the blue IBM logo, he thinks of the letters standing for “Iowa Builds Momentum.”



Mike Daniels, IBM senior vice president (right)

“We are just thrilled with our Iowa location”

**Richard Robinson
President, Norfolk Iron & Metal**

Norfolk Iron & Metal forges ahead in Durant

With the opening of Norfolk Iron & Metal’s new \$16 million distribution center, the eastern Iowa community of Durant is now home to one of the top steel suppliers in the United States.

“With our new facility, Norfolk Iron & Metal will be able to broaden our services to Wisconsin and Illinois customers and expand its delivery capabilities in Minnesota, Iowa and Missouri,” says Richard Robinson, Norfolk Iron & Metal president. The Norfolk, Nebraska-based wholesale company had been considering locations in Iowa and nearby states for the distribution center.

According to Robinson, the 250,000-square-foot facility not only distributes a full line of carbon steel products but also provides value added services for its customers. “We offer first stage

processing services such as sawing, shearing, breaking, and laser and plasma cutting,” says Robinson, a third-generation manager of the family owned company founded in 1908.

“Durant becomes the fourth distribution center including Norfolk, Nebraska; Greeley, Colorado; and Emporia, Kansas.”

Robinson says the new facility carries an inventory of 15,000 tons of steel and will employ more than 135 Iowans within three years.

Leveraging the project was a series of tax benefits from the Iowa Department of Economic Development-administered High Quality Job Creation (HQJC) program, and a \$470,000 award from the Economic Development Set-Aside (EDSA) program.

“Steel distribution is a very competitive industry and our bread and butter is servicing small to mid-sized manufacturers as well as other steel distributors and fabricators,” explains Robinson. In many cases Norfolk Iron can take a several ton order and deliver it to the customer the next day.

“We have a fleet of 125 tractors and 250 trailers so we can deliver product when our customers need it,” Robinson says. Access to transportation infrastructure was an important reason Norfolk Iron was attracted to Durant’s industrial park.

“We are located in an area with rail access and we are only two miles from Interstate 80. Add to that a very deep pool of highly skilled workers and we are just thrilled with our Iowa location,” Robinson explains. ■

Iowa location drives Bodine Electric's success

Doubles size of Iowa manufacturing plant

Chicago-based Bodine Electric Company recently completed its strategic plant consolidation project from Illinois to Peosta, Iowa. With its completion, more than 100 new CNC machining jobs were created and the size of the company's facility more than doubled to 140,000 square feet. According to John Bodine, president of Bodine Electric, the Iowa facility is now home to most of the company's manufacturing and all of its assembly operations.



“Our facility, originally built in 1991, now includes more than 60 precision CNC milling, grinding, gear cutting and turning centers — some of which were previously located in the Chicago plant,” explains Bodine. “By locating all manufacturing under one roof in our Iowa location, we are able to respond more quickly to engineering, prototype and quick turnaround requests.”

The Peosta plant expansion was designed around flexible cellular manufacturing principles, allowing the company to continuously adapt its manufacturing processes to the needs of its customers, both in the U.S. and globally. “We are a leading manufacturer of high-performance fractional horsepower gearmotors, motors and motor speed controls in North America,” says Bodine. “With more than 1,000 standard products, and thousands of custom designed

integral gearmotors, motors and motion control solutions, we need to continuously adapt our manufacturing processes to the needs of worldwide customers.”

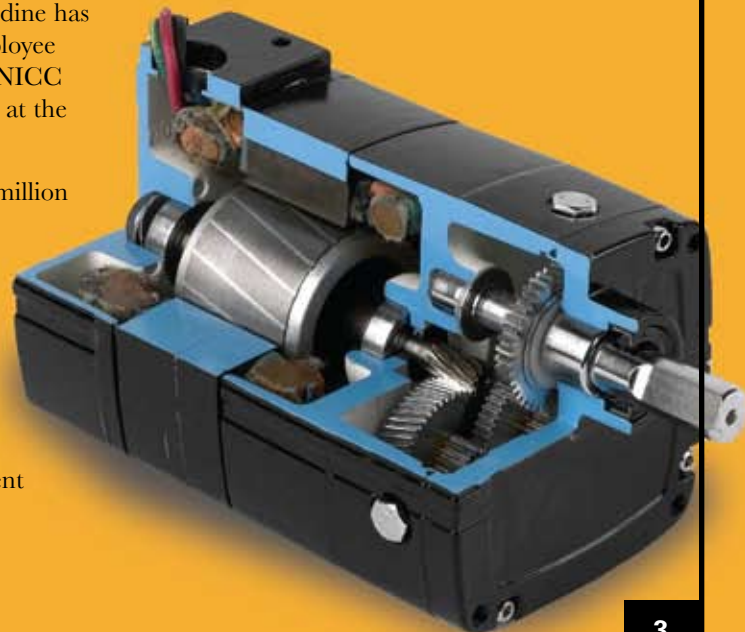
To that end, Bodine Electric partnered with Northeast Iowa Community College on various employee-training programs. Most recently, NICC and Bodine Electric developed training programs that focused on CNC operation, blueprint reading and inspection of machined parts. Bodine has also sponsored employee training at various NICC locations, as well as at the Peosta plant.

Leveraging the \$3-million expansion project was a \$500,000 award from the Physical Infrastructure Assistance Program (PIAP) administered by the Iowa Department

of Economic Development. In return, family-owned Bodine Electric plans to create 105 jobs.

“Our plant in Iowa has been a successful operation from the start. The decision to consolidate both plants was more than just adding manufacturing capacity to our assembly operations. This was a strategic decision by the owners and management team that will enable us to further reduce lead times, increase productivity and manufacturing efficiency, and also to contain costs,” says Bodine.

Known for reliability, long life and competitive prices, Bodine gearmotors are found in many demanding industrial and commercial applications. And for more than 17 years, Bodine Electric has found its Iowa location has provided these same advantages, driving the company to greater levels of success. ■



Colorbiotics enhances level of innovation with Iowa expansion

Becker Underwood unit completes 140,000-square-foot Ames expansion

Imagine the ability to bring the color choices you make for your home's interior to its exterior.

With color-enhanced mulch, sand, and stone, you can do just that. Homeowners and businesses can enrich their outdoor environment by choosing colored mulch as a safe, natural and beautiful landscaping tool.

Colorbiotics®, a newly formed business unit of Becker Underwood based in Ames, Iowa, plans to take the landscape coatings industry to a new level of innovation with its full line of mulch colorants and equipment. Colorbiotics will focus exclusively on the research, development, sales and support of landscape coating products.

In order to do that, Colorbiotics has just completed a \$13-million, 140,000-square-foot state-of-the-art research and manufacturing facility two blocks from the Becker Underwood Ames headquarters.

"This is not a startup enterprise," says Brent Lester, CEO of Colorbiotics. "The Colorbiotics research, development, sales and service team has more than 25 years of experience in the landscape coatings industry and has brought ground-breaking products to the marketplace. Our unit will focus exclusively on the research, development, production,

sales and support of landscape coating products."

Residential landscaping continues to be a growing industry, and Lester is confident the newly completed expansion project will help Colorbiotics grow along with it. Homeowners and businesses can enrich their outdoor environment by choosing colored mulch as a safe, natural and beautiful landscaping tool.

A new study supports Lester's thinking. The Freedonia Group, Inc., an industry market research firm, found that U.S. demand for packaged lawn and garden consumables, which

includes mulch, is forecast to increase nearly five percent per year to \$9.1 billion in 2010. Growth will be led by mulch, fertilizers and growing media, all of which will continue to post annual gains of over six percent.

"We believe the market will remain strong as consumers continue to view landscaping as a lifestyle rather than a hobby, and seek unique products, such as color-enhanced mulch, that express their individual style," says Lester. "Colorbiotics is positioned to continue meeting customer demands and growing with this ever increasing market."

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Colorbiotics

A Becker Underwood Company

1725 Dayton Avenue

Cargill Corn Milling earns Malcolm Baldrige Quality Award

With major Iowa operations in Cedar Rapids and Eddyville, Cargill says “Iowa employees played key role in earning honor”

Cargill Corn Milling — one of the world’s leading producers of corn sweeteners and other value-added food, feed and fermentation products — has received the 2008 Malcolm Baldrige National Quality Award, the highest presidential honor awarded to organizations for innovation and performance excellence. With two major corn-milling facilities in the Iowa communities of Cedar Rapids and Eddyville, Cargill Spokesman Bill Brady says, “Obviously, our Iowa employees played a key role in earning this honor.”

Cargill’s Cedar Rapids facility employs 200 people and makes corn syrup, starch, gluten feed, gluten meal and tapioca. According to Brady, the Cedar Rapids location has also added a new product line last fall. “We are manufacturing a new line of enhanced fiber additives for the tissue paper industry,” he says. “The fiber additives increase

the strength of soft tissue, paper and paperboard products. Produced from a renewable source — corn — they provide an alternative to chemicals for strengthening tissues while lowering manufacturing costs.”

Cargill’s massive wet-milling operation in Eddyville — where corn kernels are steeped in water and separated into starch, protein, germ and fiber — anchors the multi-billion dollar Iowa Bioprocessing Center, a collection of six multi-national companies producing a myriad of value-added products from Iowa corn and soybeans. Since 1985, when Cargill opened its operation, more than \$1.75 billion has been invested by companies that now employ more than 800 Iowans. And each day, more than 350,000 bushels of corn are being transformed by Cargill and the other IBC companies to make products such as dextrose, high fructose corn syrup, citric acid, feed-grade lysine, CO₂, monosodium glutamate, natural vitamin E, cyclodextrins and glucosamine.

“We produce approximately one-third of the worldwide demand for natural vitamin E each year as well as plant sterols used in the pharmaceutical and food industries at our Eddyville location,” says Brady.

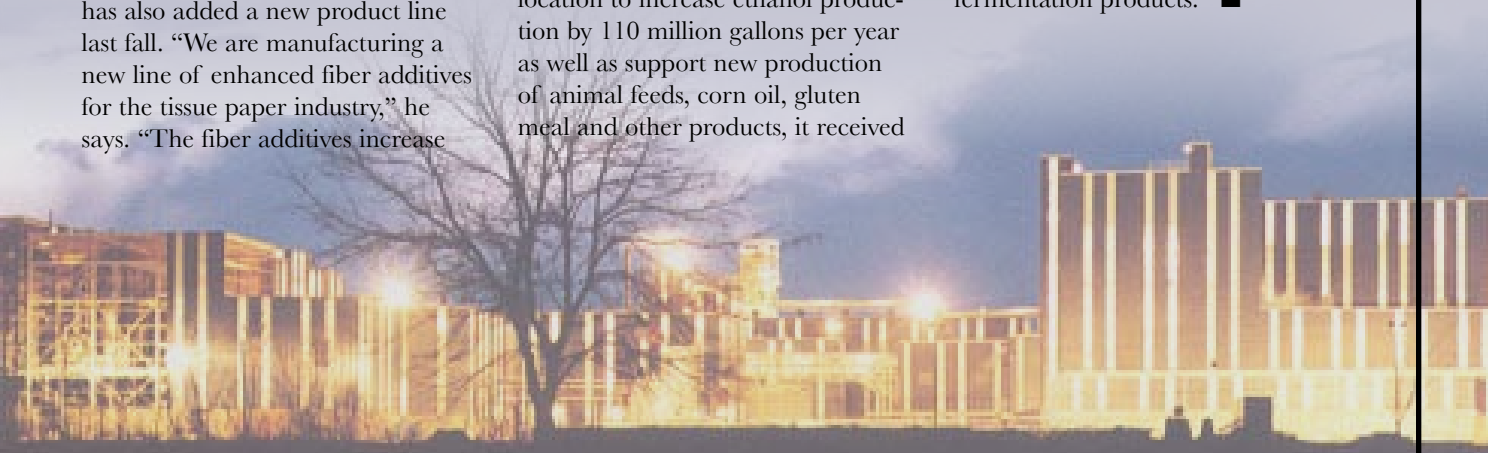
When Cargill expanded its Eddyville location to increase ethanol production by 110 million gallons per year as well as support new production of animal feeds, corn oil, gluten meal and other products, it received

a series of tax credits and benefits from the High Quality Job Creation (HQJC) program, administered by the Iowa Department of Economic Development.

Biotechnology, biofuels, and value-added agriculture continue to shape and define new technologies for the chemical, pharmaceutical, nutritional and agrochemical industries.

Iowa’s business climate has never been more favorable for world-leading companies such as Cargill. Companies operating in Iowa benefit from a business-friendly state government, technology transfer from world-renowned research universities, a skilled and productive labor pool and a central U.S. location.

Iowa—as the nation’s No. 1 corn and soybean producer—continues to reap benefits from this growing phenomenon through increased new business capital investment and increased employment opportunities. Proof can be found at Cargill’s two Iowa corn milling facilities, where the company continues to extract ever increasing value out of every kernel of corn and soybean to make food, feed and fermentation products. ■



Hy-Vee expands Iowa distribution center

Company cites employee work ethic and efficiency in decision

Hy-Vee, Inc. is in the midst of expanding its distribution center in the northwest Iowa community of Cherokee to provide grocery products to existing and new store locations in Iowa, Nebraska, South Dakota and Minnesota. The \$18-million expansion was leveraged by a series of tax credits and benefits from the Iowa Department of Economic Development-administered Iowa Enterprise Zone program. When completed in fall 2009, the project will create 12 new jobs.

According to Ted Hockenson, Hy-Vee assistant vice president of distribution, "The project will add 230,000 square feet of distribution space to our current 430,000-square-foot Cherokee facility, increasing it by more than one third." Hy-Vee's distribution network also includes its state-of-the-art 1.2 million-square-foot facility in Chariton, Iowa.

Born in Iowa as a small general store in 1930, Hy-Vee today has more than 225 retail stores across seven Midwestern states and sales of more than \$6.2 billion, ranking it among the top 30 supermarket chains in the nation.

"If it wasn't for the work ethic and efficiency of our employees, we wouldn't be in Cherokee," says

Hockenson, praising Cherokee's 350-member work force. "We deliver more than 10 million pounds of groceries and general merchandise each week to our stores in the upper Midwest. We needed to expand and I was optimistic Cherokee would be the place we would expand." Hy-Vee located its Northern Division Distribution Center in Cherokee 40 years ago and has undergone two expansions here since that time, the last one in 1991.

The Cherokee location is minutes from the soon-to-be four-lane Highway 20 and Interstate 29, and Hockenson says Iowa's transportation infrastructure was a "real plus" in the company's decision to expand in Cherokee.

But that's not surprising, since Iowa is ideally suited to move products across the nation and throughout the globe. Iowa's central geographic location, coupled with air, water, rail and highway systems designed for commerce makes it easier to move products where needed. Two major coast-to-coast, border-to-border interstate arteries (Interstate 80 and Interstate 35) intersect in the state. In fact, Davenport, Des Moines, and Council Bluffs are listed as five-star logistics metros by *Logistics Quotient -Expansion Management* magazine. ■

IBM

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"This is truly a historic and transformational moment in the history of Dubuque and the tri-state area," said Mike Blouin, president of the Greater Dubuque Development Corporation. "We look forward to participating in the creation of a stronger, sustainable 21st century community."

The technology services delivery center in Dubuque will primarily support IBM's U.S. strategic outsourcing clients, providing server systems operations, security services and end-user services, including maintenance and monitoring of computer hardware and software systems. ■

Colorbiotics

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The Colorbiotics expansion project received a \$150,000 award from the Community Economic Betterment Account (CEBA) and a series of tax credits and benefits from the High Quality Job Creation (HQJC) program. Both programs are administered by the Iowa Department of Economic Development.

Founded in 1982, Becker Underwood is an international developer of bio-agronomic and specialty products. Today, the 315-employee company is a leading manufacturer of seed coatings and colorants. The company is also a leading global producer of inoculants, beneficial nematodes and a wide range of agricultural and horticultural products. ■



California manufacturer establishes Midwest presence in Iowa

Vivètique, a leading manufacturer of all-natural sleep systems, is establishing a new manufacturing and distribution facility in Lucas, Iowa. Scott Carwile, Vivètique president says the decision was made after he watched empty semi-trailer truck after empty semi-trailer truck roll past him.

“With our new Iowa manufacturing facility, we’ll be able to take advantage of trucks that become available after delivering groceries to the nearby Hy-Vee Food Stores distribution center,” says Carwile.

Carwile, whose Los Angeles-based company makes mattresses and other bedding products from organic and other natural materials, first described the Lucas location as “In the middle of nowhere,” but he now says his new Iowa location is “In the middle of everywhere.”

Vivètique first opened its doors in the “Crown City” of Pasadena, California in 1917, where the company was originally known as Crown City Mattress. Today, twin brothers Steve and Scott Carwile are maintaining Vivètique’s status as the leading organic mattress manufacturer with decades of experience.

**“My new Iowa location
is in the middle of
everywhere.”**

Scott Carwile
President
Vivètique

Starting in early 2009, the 33,000-square-foot facility will employ 10 Iowans to produce Vivètique all natural mattresses, comforters, pillows and other items that go into not just a bed, says Carwile, but a “sleep system.” Within two years, Carwile projects 30 employees in Lucas will be hand stitching mattress pads and other customized bedding components in the time-honored manner started by Carwile’s father.

Sales of natural mattresses have been anything but sleepy. “The environmental bedding industry has been increasing at a rate of about 35 percent for each of the past four years,” says Carwile. “Our mattresses are sold by more than 500 retailers in the U.S., Canada and Australia. By opening a

plant east of the Rockies, we can reduce our carbon footprint by 50 percent.” And for a company that markets itself as green, “That’s a big, big deal,” Carwile says.

The expansion was leveraged by \$150,000 from the Economic Development Set-Aside (EDSA) program of the Iowa Department of Economic Development. Carwile has been pleased with his decision. “The quality and availability of the workforce is excellent. The work ethic of Iowans is second to none.” ■

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Published by: Iowa Department of Economic Development
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Director

**Iowa Department
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guest opinion

Tap Iowa's expertise for the green economy

These are exciting days in Iowa and the Upper Midwest—the preferred location for developing the green economy and the renewable energy industry. Forward looking policies of Governor Chet Culver, who has set a goal of making our state energy independent, and a ready response to new opportunities are moving Iowa forward in the vanguard of energy transformation. The adoption and consumption of alternative energy will continue to increase.

We have succeeded where others are just beginning because we have the grain and crop residues that have made Iowa first in biofuels, sustained winds to get more of our electricity from wind than any other state, and research universities that are hotbeds of renewable energy innovation.

Iowa has positioned itself for success in the green economy by:

- Establishing the Iowa Power Fund to make early stage investments in renewable energy technologies and processes
- Investing in biofuels production and infrastructure
- Investing in renewable energy research
- Welcoming large-scale wind farms
- Developing component manufacturing and supplier networks

The rewards of developing the green economy are too substantial to ignore: a more

secure nation not dependent on foreign fuel, a cleaner environment, a higher quality of life. The rewards are especially valid in Iowa; where we've got the natural resources, the workforce and the manufacturing capacity for the new energy and jobs, bolstered by the commitment from our governor to become energy independent.

New patterns of industry location are readily evident from our focus, based on the desire of manufacturers and suppliers to be close to their markets. For example, the production of tall steel towers, large turbine generators, and long blades weighing tons for the wind industry needs to be close to wind farm development. Manufacturers face challenges in shipping large structures over long distances. Iowa is the preferred location for this manufacturing because the state lies at the center of upper Midwest wind farm development.

You can be sure that developing new energy sources will continue as a critical need for a long time to come, regardless of what is happening during the short term in our national economy. We have to find new ways of powering the economy and reducing the impact of energy use on the environment. The need for an energy transformation will stay on the front burner. It means new energy, new jobs and new opportunities. Iowa is the place where it will continue to happen. Tap our expertise and lead the field. ■