

Quarterly Industry Review

Iowa Workforce Development

2nd Quarter 2003

Western Iowa

Manufacturing

Spirit Lake

The Iowa Great Lakes Corridor of Opportunity and the city of Spirit Lake are pleased to announce an Economic Development Set Aside Account Award made to Pure Fishing by the Iowa Department of Economic Development. This \$75,000 grant will assist Pure Fishing with their \$4 million expansion project. In addition, the City of Spirit Lake has agreed to provide \$30,000 in assistance for this expansion. This assistance will help the company retain 12 jobs and create 13 new positions. As part of this internal expansion, Pure Fishing intends to purchase additional equipment for installation of their new Gulp product line.

Red Oak

One of the nation's leading makers of automotive parts has announced plans to build a plant in the southwest Iowa city of Red Oak. Johnson Controls will open a \$21 million plant where lead plates will be cast, rolled and stamped for automotive batteries, local officials said. "This will be a state-of-the-art plant utilizing advanced technology," said George Maher of the Red Oak Industrial Foundation. "The jobs being created are examples of the high-skilled positions that have been identified as crucial to Iowa's economic future, so this is a positive development for the entire state as well as for our city," Maher said. The plant is expected to employ about 75 workers when it reaches full production.

Adair

The Iowa Department of Economic Development approved the loan to Audubon-based R. J. Trausch Industries to build food display cases using new refrigeration technology. The \$150,000 loan will help create 50 jobs in this western Iowa town.

Spencer

Freudenberg NOK has announced plans to expand the operations of its Spencer facility. The expansion of operations includes the purchase of additional equipment and infrastructure improvements to its existing facility in north Spencer. According to plant manager Mark Niccum, the new expansion will result in the creation of at least 15 new jobs.

Jackson, MN

Agco has announced plans to move the production line of the MT 700 and 800 track tractors from DeKalb, IL to Jackson, MN. The DeKalb, IL plant will close in May, with the relocation to follow quickly. The move will add nearly 150 jobs immediately to the Jackson site, with the possibility of many more future additions.

Jackson is located approximately 20 miles northeast of Spirit Lake, IA and 20 miles northwest of Estherville, IA. The local Agco plant currently employs close to 900 locally with another 300 in the field as service and sales representatives. **A large portion of the employees live in northwest Iowa.** Of the 150 jobs, about 110 are expected to be manufacturing positions, with the remaining 40 covering engineering and office personnel.

Clarinda

Lisle Corp., a Clarinda-based firm that manufactures tools and vehicle components, has acquired E-Z Way Inc., a company located in Minneapolis, MN.

E-Z Way makes and sells patient transfer devices designed to ease potential strain on caregivers who work in the health care field. John Lisle, chief executive officer of the company, said that within the next year the E-Z Way operation would be moved to the site of the former Glenn Miller National Guard Armory in Clarinda. He said E-Z Way employs 32 people in Minneapolis, and that plans were to create a similar number of jobs in Clarinda.

Retail Trade

Storm Lake

The new Wal-Mart superstore, scheduled to open in May will employ 300 workers, double the force at the current Wal-mart.

Sioux Center

Golden Crisp Premium Foods, a division of Patrick Cudahy Inc., is expanding in Iowa and will receive a \$500,000 investment (loan) from the Community Economic Betterment Account. The Iowa Department of Economic Development Board approved partnering with Sioux County to help Golden Crisp Premium Foods move into the vacant Quick-To-Fix food processing facility in Sioux Center.

The Golden Crisp Premium Foods facility start-up will create 136 jobs at a regionally-competitive pay scale to manufacture pre-cooked bacon products. The \$12.2 million project would remodel the existing facility for two precooked bacon production lines and complementing bacon-processing equipment.

Health Care & Social Assistance

Council Bluffs

An Omaha developer is looking for a Council Bluffs building site for a new, \$6 million, senior housing facility.

The Vintage Companies plans to break ground this year for construction of a 65-unit assisted living center, project manager Jason Lange said. The group hopes to open the center in June 2003.

Central Iowa

Manufacturing

Adair

Schafer Systems in Adair laid off 20 people April 1. It was a decision based on economic realities that company leaders could no longer ignore. According to CEO Victor Aspengren this has been the slowest period in four years. Also, two of the companies leading vendors went out of business. In an attempt to turn things around and defuse the economic



slowdown, the company imposed a 20 percent pay cut from the top executive on down to the lowest paid employee. This was done six weeks prior to the layoff. "It just didn't help," said Aspengren. "We also can't ask employees to live on 20 percent less for an indefinite period."

Newton

Thombert Inc. announced its intent to expand Newton operations to Brooklyn which will ultimately result in the loss of 15 jobs here. The new Brooklyn facility is expected to be in production sometime after April 1, with the Newton layoffs following transitions into that building.

Newton

Newton-based Maytag Corp. plans to cut 500 salaried jobs to reduce costs in a restructuring expected to affect all of the appliance maker's 15 domestic operations, including those in Newton and Amana. Word of the job cuts, expected to be completed by June, prompted concern among employees. Expected cuts at the Newton facility will affect 150 employees. Maytag's total workforce is 20,900. The cuts represent about 8 percent of the company's salaried workforce, 6,400 people in jobs from administrative positions to managers.

Bancroft

Plans are underway for a Bancroft manufacturer to increase its space by 50 percent next year, with staffing increases of as many as 20 people over three years.

Mike Lloyd, president of Aluma LTD, said that he is working closely with the city of Bancroft, the Kossuth County Economic Development Corporation and the Iowa Department of Economic Development, on an expansion of the manufacturing Plant, which Produces aluminum trailers and other aluminum products.

Oskaloosa

The Iowa Department of Economic Development Board approved tax benefits of about \$1.5 million for Musco Sports Lighting LLC of Oskaloosa, which is building a fiber-optic telecommunications network and training center. The \$9.6 million project is expected to create

21 jobs with a median starting wage of \$16.38 per hour.

Musco, one of the nation's leaders in sports lighting equipment, employs 200 people in Os-kaloosa, 221 in its plant in Muscatine and 140

Arts, Entertainment & Rec.

Tama

The Meskwaki casino has been shut down per National Indian Gaming Commission. Tribal leaders have filed to have the decision overturned. Until then, more than 1200 people are out of work. The closure is also affecting sales at local retailers and reservations at hotels/motels, which may in turn have a negative impact on employment in and around Tama.

Eastern Iowa

Construction

Ottumwa

Winger Mechanical of Ottumwa laid off 65 maintenance workers following a layoff at Cargill. Winger workers did the maintenance at Cargill, although they did not have a contract. Another contractor will do day-to-day maintenance at the Cargill plant. According to Tom Keck, owner and president of Winger Mechanical of Ottumwa, through an improved marketing effort and Winger's reputation for quality workmanship, he hopes to find more projects for the company to work on. In fact, of the 65 workers that had been laid off, Winger has already called 18 or 19 back.



Manufacturing

Burlington

An Italian maker of hydraulic hoses used inside industrial and construction equipment announced last December it plans to open a \$6.1 million plant in Burlington, which also will serve as its North American headquarters. Milan, Italy-based Alfagomma Group - a supplier to a Case New Holland plant in Burlington - expects to add 120 jobs in the next three years, paying an average starting wage of \$12.51 per hour.

Representatives of the company expected the assembly line to be running by April 1.

West Burlington

Raider Precast Concrete, which won the contract for 500 concrete modules to be used in the construction of a Hopkins Park, IL prison, laid off more than 100 workers after an April 14 announcement that the projects had been halted. "This was about 30 percent of our business for the year," said Raider president Colin Wagenbach. "It's very disappointing, disheartening. There are no winners here." As of last fall, Raider boasted about 325 employees. With the economic downturn, however, the manufacturer's employment level has dipped to below 140. Over the winter about 60 workers were laid off in smaller increments, Wagenbach said.

Mt. Pleasant

West Liberty Foods, approved for a \$500,000 forgivable loan by the Iowa Department of Economic Development in May 2002 expected their new Mount Pleasant slicing plant to open by April 1, 2003. The company planned to start with more than 100 employees.

Mt. Pleasant

Lomont Molding is adding 21 people to its staff. Southeastern Community College is preparing to give classes in lean manufacturing, robotics, quality and warehouse management to help with the expansion. Funds for the training will be provided through the New Jobs Training Program.

Mt. Pleasant

Celstica Corp. of Mount Pleasant will eliminate 100 jobs to pare its workforce to meet a slow-down in business, officials announced. The company said those who participate in the program will receive extended medical benefits, a severance package and federal aid for continuing education. The plant currently employs 425 people.

Waterloo

A metal-fabricating company that has operated on Waterloo's east side for nearly 20 years said it will close due to a poor business cli-

mate. Cedar Metal Works will cease operations April 11. The company has 38 employees. An additional 25 workers who are union members have been on strike since November 2001.

Waterloo

The Waterloo office of Peoria, IL-based Affina is expected to lay off 27 full-time employees over the next month after its contract to service a federal benefits program was terminated, officials announced in May. Friday, May 9, was the last day for 10 workers at the company's customer service center in Waterloo.

Waterloo

Deere & Co. has announced more temporary shutdowns of its tractor production lines in Waterloo. The shutdowns have been scheduled "in the interest of John Deere's continued commitment to balance its production schedule with retail sales", company officials said. Deere's large row crop four-wheel drive product lines will be shut down June 16 - 20. The small row crop, large row crop and four-wheel drive lines will be shut down July 14 - 18. The shutdowns are in addition to the regular two-week shutdown that happens in late July. The shutdowns affect 1,400 union wage production workers at two Deere locations in Waterloo, local spokeswoman Mindy Westendorf said. Deere's engine works and Product Engineering Center in Cedar Falls are not affected.

Dubuque

Barnstead International plans to close one of its East Coast facilities and move the "high-paying" jobs to its Dubuque location. The company announced it will move its West Paterson, N.J.-based Ever Ready Thermometer Co. operations to the Barnstead International facility on Kerper Boulevard. The relocation, partially funded by a \$60,000 loan/forgivable loan approved by the Community Economic Betterment Account (IDED) Board, include the creation of 20 positions with a monthly average salary of \$3000.

Cedar Rapids

Raining Rose Inc., a Cedar Rapids maker of lip balm and body-care products, plans to ex-

pand, creating 30 jobs over three years. Raining Rose, which employs 15 people, plans to move from its current 5,000-square-foot facility to a new location nearby with more than three times the space. The total investment will be about \$825,000.

Musco Sports Lighting LLC

The Iowa Department of Economic Development approved a \$125,000 loan for a \$2 million expansion at Musco Sports Lighting in Muscatine. The project is expected to create 43 jobs with an average starting wage of \$13.88 an hour.

Cresco

Bolstered by a \$2,000,000 loan from the USDA, the Amish Cheese plant north of Cresco anticipates starting up production in the near future. Golden Ridge Cheese Cooperative will be making cheese for sale to consumers. The loan will be used to acquire equipment, refinance existing debt and to renovate the facility that will manufacture the specialty cheese. According to Neville McNaughton, manager of the operation, "if everything is put together, we should be making blue cheese in June." McNaughton anticipates hiring about a half dozen people initially with interviews to begin mid-March. Eventually, the cheese plant will have 20 - 25 employees.

Wholesale Trade

Cedar Falls

Ag Services of America, Inc. in Cedar Falls has eliminated about a quarter of its work force, according to company officials. Twenty-eight people at Ag Services' headquarters and another dozen district sales managers were laid off in May, said Chief Operating Officer Shawn Smeins. The layoffs are permanent, although the company hopes to add jobs once its financial condition improves. Ag Services supplies seed, chemicals and fertilizers to farmers and finances programs for agricultural manufacturers and distributors. The layoffs come two weeks after the company reported a nearly \$6 million profit in the fiscal year ending Feb. 28.

Farley

The Farley City Council learned a new business will be locating its operation within the Farley Industrial Park. Three members of the Farley Industrial Development Corp. told the council that Triton Mfg., a metal stamping company (which has a base company, Intertrade Steel Inc. of Cedar Rapids), purchased two acres of land last week within the industrial park. Triton will construct a 10,000 - 15,000-square-foot facility at a cost of \$300,000 and will begin operating with five employees and hopes to eventually have 15 within three to five years at a pay rate of \$15 per hour.

Retail Trade

Hiawatha

If all goes according to plan, Cedar Rapids Toyota will be moving into a new showroom and service facility in mid-December. The 20-year-old dealership broke ground Thursday for a 26,000 square-foot building on the northwest corner of Interstate 380 and Boyson Road in Hiawatha. According to Scott Ryan, vice president and manager, "We estimate that our number of associates will grow from 33 to 44."



Clinton

Clinton's Econofoods store, 1620 Lincoln Way, closed for good at 5 p.m. Saturday, April 26. The closing was announced through a sign at the store indicating April 26 would be the last day of business.

Cedar Falls

Thousands applied for 500 positions at the new Cedar Falls Target warehouse. The new center will distribute merchandise to stores in Iowa, Minnesota, Wisconsin and Illinois. The company was approved for a \$500,000 economic development grant through the Iowa Department of Economic Development.

Davenport

Dillard's is building a 124,500 square-foot store at NorthPark Mall (Davenport) at a cost of approx. \$9 million. The Dillard's store will have approximately 200 employees.

Information



Hiawatha

Riverdeep Inc., a publisher of interactive software for education and entertainment, is expanding the work force at its direct marketing and customer support center in Hiawatha. Novato, CA-based Riverdeep said Monday that it plans to expand its educational products sales division by adding 48 positions in Hiawatha by next month. The Hiawatha operation currently employs 88. "These positions are going to average about \$50,000 in total compensation," said David Bader, senior vice president and general manager of direct marketing.

Marion

U.S. Cellular plans to add 100 jobs as it expands its customer service center to handle growth in the company's Midwest region. It's the latest in a series of expansions to U.S. Cellular's "Customer Care Center" in Marion. The center handles customer service and billing inquiries for customers in Iowa, Illinois, Indiana, Missouri and Nebraska.

Dubuque

In another upbeat sign for the local economy, McKesson Corp. confirmed that it will expand its Dubuque data center. Mike Nolan, vice president of the Dubuque division, said the data center will add 38 jobs by Sept. 1. Nolan called the new jobs a "mix of positions," including computer operations, network systems analysts and project managers. "They are very good-paying jobs," the executive said, without disclosing wage or salary figures. Kate Rohrbach, vice president of corporate communications for the San Francisco-based drug distribution and health care information technology company, said the work ethic of the area made the Dubuque expansion an easy choice for McKesson. The data center currently employs 60 people, on its way to nearly 100.

Finance & Insurance

Coralville

GEICO Direct wants to dispel its mistaken image as a telemarketer to attract the employees it needs to keep growing. Tom Garner, Branch Director, hired 100 employees within the past year, 20 of them in the past week (April 20), but more workers are needed. "I would like to fill the building. I need 100 more," Garner said.

Real Estate, Rental & Leasing

Cedar Rapids

AEGON USA reduced its Cedar Rapids work force by 66 positions Monday, June 2, primarily due to a tough environment for annuity sales.

Health Care & Social Assistance

Cedar Rapids Community Schools

Effective April 14, nearly 100 teachers in the Cedar Rapids school district have lost their jobs as the district tries to trim \$2.9 million from next year's budget. Some rehiring and shifting is expected.

The Quarterly Industry Review is produced by Iowa Workforce Development, Employment Statistics Bureau, as a stand-alone publication of Iowa Worknet.

This information is a compilation of public announcements and articles from newspapers and periodicals about business events significant to Iowa labor markets.

The information is intended as a review of events as they are reported. Many included events have not yet occurred.

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