

SPECIAL
ADVERTISING
SUPPLEMENT

Northwest Iowa

Connectivity Beyond Expectations



At the core of America's heartland, **Northwest Iowa** delivers easy access to **major markets**, a first-class transportation infrastructure, a welcoming business environment, and outstanding workforce development programs.

Northwest Iowa



You already know it as a major agricultural center. But did you know that Northwest Iowa boasts an excellent transportation network, attractive real estate opportunities, compelling business incentives, and a hard-working, conscientious workforce?

Stop by the northwestern corner of Iowa and you'll understand right away that this is the heart of rural America. You'll know it by the fields of corn and the herds of beef cattle and dairy cows. You'll feel it in the small, close-knit communities built on

long traditions of hard work. You'll find it in the reasonable cost of living and the slower pace of life.

Northwest Iowa delivers on the promises we've come to connect with America's heartland. But as a site for a production

plant or distribution center, it also delivers a great deal more than you'd expect: easy access to major markets, a first-class transportation infrastructure, a welcoming business environment, and outstanding workforce development programs.

"The attributes that made America economically strong and active are still alive and well here," says Kirk Grau, director of economic development for Osceola County, Iowa. "This is a hard-working area with a fantastic workforce. The transportation is the best, bar none. It's located right in the middle of the United States and connected to almost everywhere."

In other words, if you're looking for a



Anchored in its southwest corner by Sioux City (far left), Northwest Iowa offers a wealth of infrastructure and business benefits to companies such as the Hy-Vee supermarket chain, which recently expanded its warehouse (left) in Cherokee.

access to Interstates 29, 35, 80, and 90. The most important recent addition to the transportation network is the upgrade to Iowa Highway 60, a diagonal route linking Sioux City, Iowa, with Minneapolis and St. Paul. Over the past few years, the state has transformed Iowa Highway 60 into a four-lane expressway, providing a shorter, more direct trip between many origins and destinations.

Iowa Highway 60 is one of six commercial corridors that Iowa has chosen for upgrades to four-lane status under a multi-billion-dollar improvement program. "In the mid-1990s, Iowa set out to connect its urban areas that didn't have major connections, with a goal of enhancing its commercial-industrial network," says Thom Hart, infrastructure manager at the Iowa Department of Economic Development.

"Highway 60 created an efficient corridor to Sioux City," says Dave Van Wyk, president of Van Wyk Trucking in Sheldon, Iowa. "We're less than 90 minutes from Sioux Falls, so we can service Sioux Falls, Worthington, Spencer, and Storm Lake – all of which are outbound freight points."

Primarily a refrigerated carrier, Van Wyk Trucking operates approximately 185 power units – about 100 based in Sheldon, the rest in Kansas and Northern Virginia. "Most of the product we haul originates in this three- or four-state area," Van Wyk says. The company serves the Midwest, New England, the mid-Atlantic States, and the northwestern United States.

Another highway included in the commercial corridor initiative is the east-west U.S. Highway 20, which runs across Iowa

and Illinois. The project to bring that road to expressway standards is about two-thirds complete and is included in the state's current five-year plan, Hart says.

When it's done, U.S. 20 will provide an express route across the state from Sioux City in the west to Dubuque in the east. A trip from Northwest Iowa to Chicago is approximately 100 miles shorter via U.S. 20 than via I-80. A truck using the new highway will save more than \$200 per round trip from the region to Chicago and points beyond, according to the U.S. Highway 20 Corridor Association.

"It's important for trucks to get on the highway and reach 65 mph quickly," Hart says. The highway upgrades in Northwest Iowa have added interchanges in communities such as Sibley, Orange City, Sheldon, and LeMars, making it easier for trucks to get in and out of industrial parks and other facilities.

THE RAIL CONNECTION

Standing as it does in the center of the agricultural Midwest, Northwest Iowa also is at the center of the country's railroad network. Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) both serve the region.

So does the regional D&I Railroad, which runs through the city of Hawarden, in Sioux County. "D&I's connection to UP, BNSF, and Canadian National gives it the capacity to ship on all three lines," says Spencer Haacke, Hawarden's economic development director. "That capacity helps keep shipping costs low."

D&I's connections have made Hawarden a logistics center for ethanol and other biofuels. "Trucks come in from Sioux Center and other locations and load the trains in Hawarden," Haacke says. The Iowa Chicago and Eastern Railway also serves the region.

Nor does Northwest Iowa lack for air transportation. Commercial service is

place to site a logistics facility, you should get to know Northwest Iowa.

QUICK RIDE TO EVERYWHERE

The region known as Northwest Iowa encompasses six counties – Cherokee, Lyon, O'Brien, Osceola, Plymouth, and Sioux – with a total population of about 100,600. The largest two counties, Sioux and Plymouth, are home to about 32,400 and 25,000 people, respectively.

Those six counties have a long reach. "The region is within one day's drive to Minneapolis, Chicago, Denver, St. Louis, Omaha, and Kansas City," says Grau.

Highways in the region offer quick

Northwest Iowa



FEEDING THE NATION: Northwest Iowa's location in the center of the agricultural Midwest made it a natural choice for Hy-Vee's grocery distribution center (above). Wells Dairy (right), makers of Blue Bunny Ice Cream, operates two production facilities in Le Mars, where it was founded in 1925.



available nearby at the Sioux Falls, S.D., Regional Airport and the Sioux Gateway Airport in Sioux City, Iowa. Each county also has a smaller airport to support general aviation.

MAGNET FOR INDUSTRY

Some companies choose a location in Northwest Iowa specifically because they can move product in and out of the area so efficiently. The transportation infrastructure and strong local work ethic were major factors in electronics manufacturer Coilcraft's decision to enlarge its distribution operation in Hawarden, even

as it shifted manufacturing to other locations. "Because of the location's efficiency, Hawarden has become one of Coilcraft's major distribution sites for the United States and worldwide," Haacke says.

Another business that is stepping up its logistics activities in the region is Hy-Vee, a supermarket chain with more than 225 stores in seven Midwestern states. Hy-Vee worked with the logistics department at Iowa State University to determine how to redesign its distribution network. Based on recommendations from that study, the company currently is building a \$3.77-million expansion to its distribution center in

Cherokee, adding 230,000 square feet to the existing 435,000-square-foot facility. Advocates who lobbied for the Cherokee project say that Hy-Vee chose that facility largely because its workers make it an extremely efficient operation.

Businesses in several major categories have gravitated to Northwest Iowa. One is an industry closely related to agriculture: biotechnology. Firms in the region produce petrochemicals and other organic chemicals, fertilizers, pesticides and various agricultural chemicals, and pharmaceuticals. The field also includes animal slaughtering and processing.

FULL OF ENERGY

Another important industry associated with agriculture is energy. Northwest Iowa is a center for the production of ethanol, E-85, distillers grains, biodiesel, and e-diesel. Among the biofuels facilities in the region is POET Biorefining's Ashton plant, which produces 56 million gallons of ethanol per year.

Wind energy also is growing in the region. One firm has installed 55 wind turbines at the eastern end of Osceola County, and another expects to erect more than 80 at the western end, says Grau.

Other companies in the renewable energy sector that have made Northwest Iowa their home include Little Sioux Corn Processors, Northwest Iowa Renewable Energy, and Siouxland Energy and Livestock Co-Op.

Agriculture in the area also makes Northwest Iowa a natural location for food processing. Companies in the region manufacture starch, vegetable oil, confectioneries, frozen foods, ice cream, and bread and bakery products; can fruits and vegetables; and produce dried dairy products.

"Because we're in the agriculture belt, many producers and supply-end production companies locate close by," says Neal Adler, executive director at the LeMars Business Initiative Corp. Among the food producers in the area are: Wells Dairy, Inc., producer of Blue Bunny Ice Cream;

BoDean's Baking Group, which makes cones and sandwich wafers for ice cream (see sidebar, page 164); Advance Brands, which makes packaged meat products; Associated Milk Producers Inc.; and Tyson Retail Deli Meats.

A MANUFACTURED FIT

Northwest Iowa also has attracted many companies involved in advanced manufacturing and plastics.

Just as the ready supply of agricultural products attracts food processors, access to industrial suppliers makes the region a good fit for many other kinds of manufacturers. "Northwest Iowa is considered rural, but the truth is it offers convenient access to suppliers such as machine shops," says Jerry Klemme, former chairman of the Hawarden Economic Development Group. "The area provides rich resources for high-level machining."

Companies that locate in Northwest

“Because we’re in the agriculture belt, many producers and supply-end production companies locate close by.”

– Neal Adler, executive director, LeMars Business Initiative Corp.

Iowa should have no trouble finding suitable real estate. "This area offers some of the most affordable land and buildings available," says Grau. When Osceola County established a 40-acre industrial park near Sibley, its largest community, it paid just \$9,000 per acre – a good indication of the prices companies are likely to encounter in the market.

More than 25 industrial and commercial facilities are available in the region, with more than 500,000 square feet of space. "For example, one 54,000-square-foot manufacturing facility for rent offers

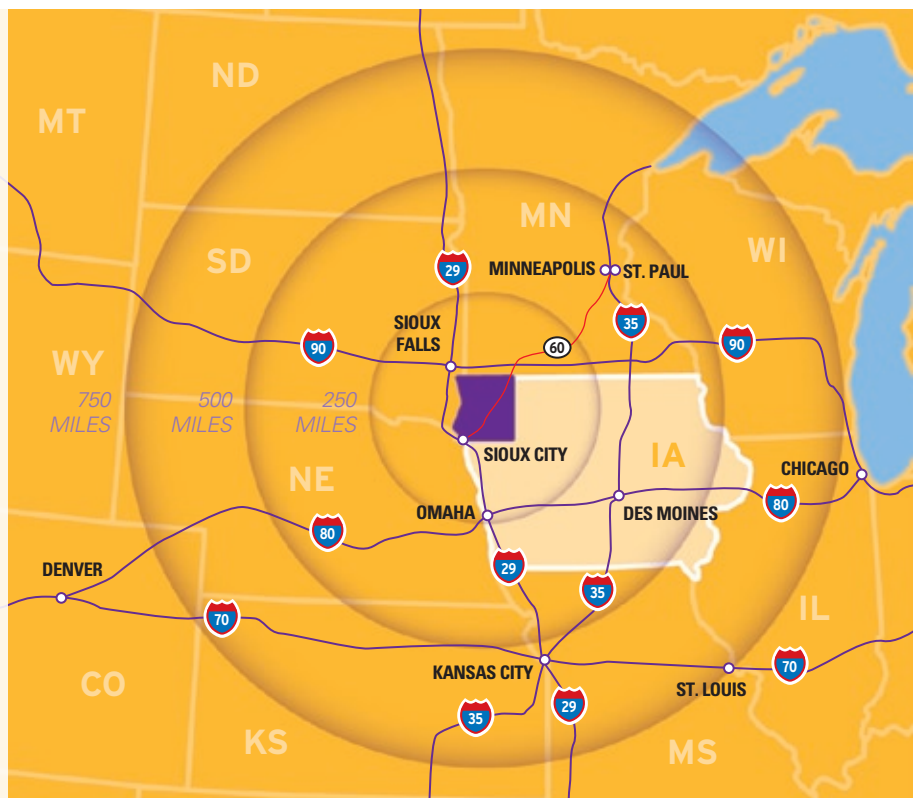
a lease rate far less than in surrounding metro areas," Grau says.

The upgrade of Iowa Highway 60 has spurred extensive industrial development along that corridor in Northwest Iowa. "Several cities have industrial parks, and some are expanding," says Woody Grabenbauer, director of the business development training center at Northwest Iowa Community College (NCC) in Sheldon. Across the region, industrial and commercial business parks offer more than 1,300 acres of available land.

Five years ago, for example, the city

Northwest Iowa's Efficient Reach

Easy access to a web of interstate highways and the recent upgrade of Iowa Highway 60, which bisects the region diagonally, allows ground transportation from Northwest Iowa to reach major cities such as Minneapolis, Chicago, and Denver within one day.



Northwest Iowa

of Sheldon bought 100 acres of land for commercial, industrial, and residential development near the intersection of Iowa Highway 60 and U.S. 18. "Since then, we've opened two commercial development areas, as well as a light industrial park that's 600 feet from four-lane Highway 60," says Mark Gaul, executive director of the Sheldon Economic Development Corporation.

Businesses in Orange City's industrial park employ nearly 1,500 people, says Gary Blythe, assistant city administrator. The city recently developed a second, 100-acre industrial park adjacent to the first one.



Paint manufacturer Diamond Vogel operates an industrial campus in Orange City.

Along with promoting real estate development, local governments have worked with the state of Iowa to ensure a favorable business climate. One example is the state's local tax abatement program,

which allows cities and counties to abate local property taxes for improving industrial real estate. Several communities and counties in Northwest Iowa take advantage of this opportunity.

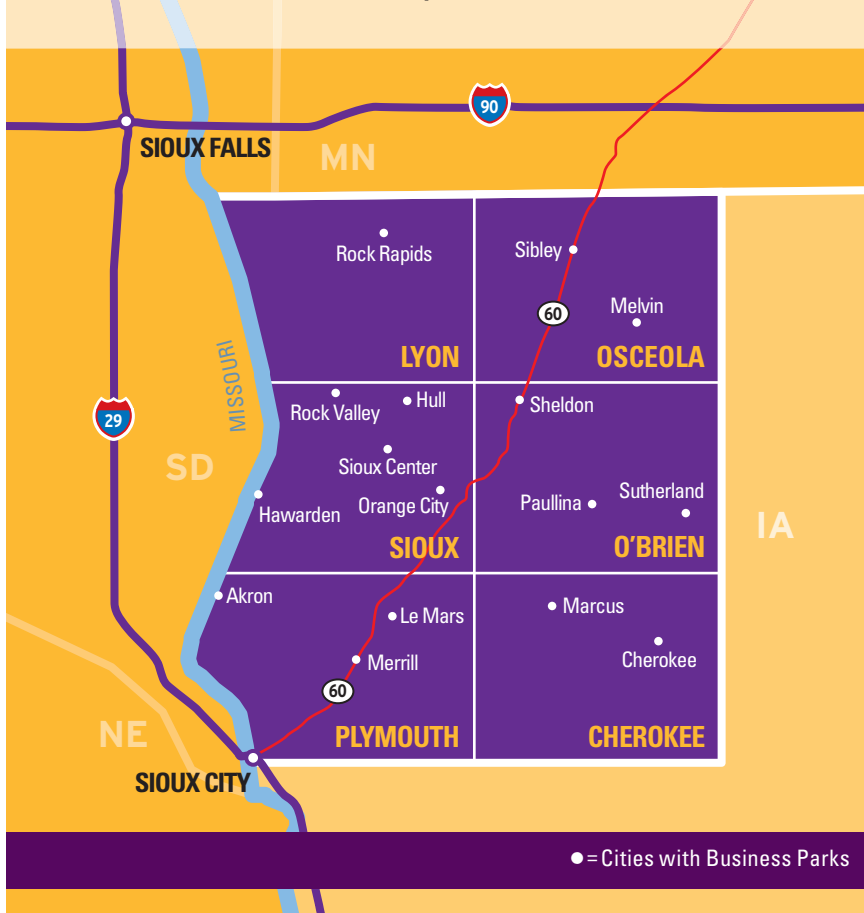
Another attractive program is tax increment financing, which provides a creative way for local communities to offer incentives to businesses. When a company locates in Northwest Iowa, the local government can use the anticipated tax revenue increase as a basis for issuing a bond to finance infrastructure and services for that property.

For example, to help with the construction of a \$4.5-million commercial development next to Iowa Highway 60, Osceola County and the city of Sibley jointly developed infrastructure connecting that property with Sibley's water and sewer systems. "Over the next 16 years the infrastructure will be paid for via taxes from that \$4.5-million facility," Grau says. "In addition, half the taxes will be rebated."

Lyon County, in the extreme northwest corner of the state, has been marketing itself as a cost-effective location to nearby Sioux Falls. For a business, life is less expensive across the border in Iowa. "Iowa offers a more level playing field," says Glenn Anderson, the county's economic development director.

Northwest Iowa Business Parks

Industrial and commercial business parks offer more than 1,300 acres of available land in the six counties comprising the region.



WONDERFUL WORKFORCE

Along with state and local government incentives, companies that locate in Northwest Iowa can expect to gain a high return on the money they invest in their employees. According to studies conducted by Iowa Workforce Development, employers in Northwest Iowa draw from a pool of about 100,000 potential workers living in the six-county region and surrounding counties.

The region boasts skilled workers who are highly committed to their occupations and their employers. "Human resources directors in this area don't experience a

lot of turnover,” says Blythe.

Chuck Sjogren, human resources manager at Diversified Technologies Inc. (DTI) in George, Iowa, can attest to that. “One of our employees is 84 years old,” he says. “He likes the overtime and gets frustrated when we cut him back to 40 hours per week.” One employee has been with the company since the late 1950s, and several others since the mid-1960s.

DTI’s oldest business unit, Sudenga Industries, started in George as a blacksmith shop in 1888. Today, it manufactures grain- and feed-handling equipment. Sudenga’s sister firms are Dur-A-Lift, which makes aerial bucket lifts, and Ranger All Season Corp., which produces mobility scooters. The three companies ship products from Northwest Iowa to customers around the world.

“Having a mechanically minded, hard-working, diligent, devoted employee base makes the difference in any product line or any product offering,” Sjogren says, and it’s a big factor in DTI’s success.

SPECIALIZED TRAINING

Companies in the region that require specific skills don’t have to look far for specialized workforce training. In support of transportation in the area, for example, Northwest Iowa Community College (NCC), Western Iowa Technical Community College, Dordt College, and Northwestern College offer courses in automotive technology, truck and diesel technology, and automotive service and body technology.

The Business and Industry Training Center at NCC represents the type of training available in the region. For instance, it participates in the New Jobs Training Program, a state-sponsored initiative for companies that are creating new jobs in Iowa.

“The program can be used for skill assessment and upgrades, as well as broad-based training,” Grabenbauer says. It is funded through bonds, which the state retires by diverting a portion of the state income tax withheld from the new

employees’ paychecks.

The Business and Industry Training Center offers courses in specific areas, such as lean manufacturing, computer skills, quality assurance and safety, plus “soft skills” training in areas such as management and team work. It also tailors

programs to employers’ specific needs and provides business consulting. “We work with companies to improve their operational structure,” Grabenbauer says. “We do an assessment, then provide guidance on taking waste out of their operations.”

Some training focuses specifically on

Your Company Name Here

Need a hat embroidered with your logo? A calculator engraved with your company’s name and address? Order it from Staples Promotional Products, and you’ll experience firsthand the advantages of shipping from Northwest Iowa.

In May 2007, office products giant Staples purchased American Identity, a company whose roots in Northwest Iowa go back to the years just after World War II. Staples Promotional Products in Orange City sells T-shirts, hats, key chains, and just about any other item a customer might want to decorate with a corporate logo.

The facility is an important component of Staple’s business strategy: the corporation spent about \$1.5 million last year on the plant and distribution center. “We did substantial upgrading: re-racking, new conveyors, a mezzanine,” says Larry Sanson, vice president of operations at Staples Promotional Products. The facility does screen printing, embroidering, and laser engraving, and also sources pre-decorated items from suppliers, distributing from Orange City to customers throughout the world.

The central location is a big plus for Staples, which ships mainly via UPS. “We ship to both coasts in three or four days,” Sanson says. Relatively inexpensive real estate and labor also make Northwest Iowa an attractive place to do business, he adds.

The workforce isn’t only inexpensive. Staples’ employees are also well-educated, which makes them easy to train for their jobs and ensures that they perform tasks accurately. Workers from Northwest Iowa also show a strong commitment to the organization, staying in their jobs for many years.

It’s no surprise that Staples has injected so much new capital into Orange City. Like many of its workers, the company clearly plans to stay for the long haul.



HIRING HIGH-QUALITY HELP: Staples Promotional Products benefits from Northwest Iowa’s well-educated, committed workforce.

“We live and work in a safe environment. That doesn’t show up as a line item on a balance sheet, but it sets a culture in which people can be productive.”

– Gary Blythe, assistant city administrator, Orange City

logistics functions. “We’ve worked with companies in final assembly/finished goods warehousing,” Grabenbauer says. The Center also does extensive safety training related to operating forklift

trucks and other warehouse processes.

Beyond its training programs, NCC serves as a resource to local employers in other ways. “We direct them to various areas of the state government that will

help them,” Grabenbauer says. “Or we just sit down with them to bounce around ideas. We’re willing to work with companies on whatever they need.”

STRONG, SAFE COMMUNITIES

When a company relocates personnel to Northwest Iowa, they are pleasantly surprised by the quality of life they find. The median monthly cost to own a home is well below the national average. Education is a top priority in local communities, and two schools in the region – George-Little Rock and Sheldon Community Schools – have been named to *U.S. News and World Report’s* list of Top 100 Schools. Residents enjoy small-town living, but also have easy access to cultural activities, sporting events, and shopping in Sioux City and Sioux Falls.

Just as that atmosphere makes for a strong community life, it also makes for a strong business atmosphere. “We live and work in a safe environment,” Blythe says. “That doesn’t show up as a line item on a balance sheet, but it sets a culture in which people can be productive.”

With strong communities, productive employees, a hospitable business climate, and efficient connectivity to the world, Northwest Iowa goes way beyond expectations. ■

Scooping up New Business in LeMars

Even in a tight economy, people need an occasional splurge, as witnessed by the consistent demand for ice cream treats, says Angela Kneip, chief financial officer at BoDean’s Baking Group in LeMars, Iowa, which supplies cones and ice cream sandwich wafers to major dairies in the United States and Canada.

“Current economic conditions haven’t affected our business,” Kneip says. Since starting production in its cone plant in 2002, BoDean’s has built three additions to that building. The wafer plant opened in 2006 with one production line. “We’re in the process of adding another line, which will be completed at the end of this year,” she says.

One big advantage to operating in Northwest Iowa is the local workforce. BoDean’s employs about 160 workers. “Many are from farms,” Kneip says. “They’re hard workers, dedicated, loyal, and always strive to improve their job performance.”



Proximity to BoDean’s Baking Group’s LeMars facility helped Schuster Trucking win nearly all the manufacturer’s transportation business.

our distribution,” Kneip says. “Being centrally located in Iowa allows us to ship in any direction efficiently.”

LeMars also is an efficient location for receiving ingredients from throughout the Midwest, including sugar from the Dakotas, flour from Michigan and Omaha, and caramel coloring from Iowa.

“Whether it’s ingredients coming in or products going out, our LeMars location has worked well for us,” Kneip says.

The company originally located in LeMars to gain easy access to Wells Dairy, a major customer. As BoDean’s has expanded to serve ice cream makers such as Schwann’s in Minnesota, Dreyer’s in California, and Chapman’s in Ontario, LeMars has proven a convenient location for reaching out in all directions.

“Schuster Trucking is located right across the street, and it handles almost 100 percent of

More on Northwest Iowa

The six counties that make up Northwest Iowa collaborate through the Northwest Iowa Development group to attract new business and skilled talent to the region. For more information on Northwest Iowa, visit www.northwestiowa.org or call 866-384-2665.