

Elkhart County Led Nation in 2009 Business Investment



Elkhart County, IN was the top destination for new corporate investment in 2009 among metropolitan areas with populations less than 200,000, according to data tracked in Conway Data Inc.'s New Plant Database.

2009 Top Metros by Number of Projects

Metros with population less than 200,000			
Rank	Metro	State(s)	Count
1	Elkhart-Goshen	Ind.	17
2	Sioux City	Iowa/Neb./S.D.	12
T3	Altoona	Pa.	11
T3	Winchester	Va./W.V.	11
5	Battle Creek	Mich.	10
T6	Lebanon	Pa.	9
T6	Jackson	Tenn.	9
T6	Danville	Va.	9
T6	Morristown	Tenn.	9
T10	Monroe	La.	8
T10	Monroe	Mich.	8

Source: Conway Data, Inc.'s New Plant Database

In the state category, Indiana ranked 10th. Conway Data published the 2009 results to its annual Governor's Cup awards in Site Selection, a corporate real estate and economic development magazine.

"Elkhart is once again in the national spotlight, but this time as a top location for new business investment last year," said Mitch Roob, Secretary of Commerce and chief executive officer of the Indiana Economic Development Corporation.

"Indiana's low-cost business environment is a key differentiator that has attracted many companies to our state in the midst of a competitive economy."

Governor's Cup winners are selected based on the number of new corporate location projects in each state and metropolitan area that meet at least one of three criteria: involve a capital investment of at least \$1 million; create at least 50 new jobs; or add at least 20,000 square feet of new floor area.

"The Governor's Cup Award is a true honor for Elkhart County. The economic crisis has positioned us on the forefront of national and international news. This award is known to be a leading indicator of future growth and prosperity for a region," said Dorinda Heiden-Guss, president of the Economic Development Corporation of Elkhart County.



Vacationing Americans Drive Elkhart to No. 1

The RV capital of America took anything but a vacation in 2009 as it claimed the No. 1 ranking in corporate facility projects among all U.S. metropolitan areas of less than 200,000 people.

Elkhart-Goshen, Ind., where 25 percent of workers are employed in recreational vehicle manufacturing, led all tier-three metros by landing 17 corporate real estate deals that meet the criteria of the Conway New Plant Database.

Sioux City, Iowa, which won the small metro category in 2007 and 2008, turned in another strong performance in 2009 by recording 12 expansions and placing second.

Altoona, Pa., and Winchester, Va.-W.Va., tied for third by registering 11 projects each.

Investments in RV assembly plants, electric-powered vehicle factories and logistics support centers combined to make 2009 a year of rebirth for once-beleaguered Elkhart County.

President Barack Obama made several stops in Elkhart to highlight growing joblessness in the Midwest, as the county's unemployment rate surged above 12 percent. But that was before the current wave of corporate capital. The commander in chief might want to come back.

Vacationing Americans Drive Elkhart to No. 1 continued...

"We had one of the highest unemployment rates in the country," says Dorinda Heiden-Guss, president of the Economic Development Corp. of Elkhart County. "We even had a program with Mike Huckabee called 'Save This Town.' But thanks to a progressive governor who created a tax environment that is much more attractive than neighboring states, Elkhart is once again an attractive location to create jobs."

Jayco Inc., one of the county's flagship RV makers for 42 years, bolstered the economy in November when it announced the hiring of 200 additional workers.

"Seventy percent of RVs built in America are assembled within a 40-mile radius of Elkhart," says Derald Bontrager, president and CEO of Middlebury-based Jayco. "Starting in June of last year, our industry started seeing signs of life. We saw increased sales at the retail level. That pace quickened in the fall and winter. After doing an estimated 165,000 shipments in 2009, more than 200,000 RV sales are expected in 2010. We are seeing significant growth again, and that's driving the expansions."

Bontrager says his industry was "caught off guard" by the sudden uptick in orders. "It was the result of pent-up demand and rising consumer confidence," he notes. "And whenever gas prices come down, it has a positive impact on RV sales."

Bontrager adds "we will see more retooling of plants and investment in equipment this year. Companies are looking at ways to automate operations. At Jayco, we are investing in equipment and employees. We are doing a small expansion of our facility for motor home production, but overall have enough plant capacity to accommodate product growth for the next three or four years."



Nautic Global Group in Elkhart is the fourth largest boat manufacturer in the U.S. *Photo courtesy of Nautic Global Group*

Jim Orbik, chief operating officer of **Nautic Global Group** in Elkhart, says the recovery has been felt in the marine market too. "Most of the marine manufacturers feel our market has bottomed out and we are seeing some pickup," he says. "Many boat makers are seeing stronger demand due to inventory replenishment. Instead of selling a boat and not replacing it, we are starting to see boat makers replace their stock."

The fourth-largest boat maker in the U.S., Nautic "will

hire more people and open more plants and retool more plants over the next two to three years," says Orbik. "Even though we endured a pretty significant blow to our economy, as we come out of this recession the county will be stronger and the entire manufacturing base will be stronger. Most people get more productive in downturns. Also, there has been diversification of our economy in Elkhart."

That diversification came primarily in the form of three major electric-vehicle plant investments: **Electric Motors Corp.**, **Navistar** and **THINK North America**.

"Last year represented a significant shift in our focus," says Barkley Garret, director of economic development for the City of Elkhart. "Elkhart is rapidly becoming the home of the next generation of the automotive world."

Toot the Horn

Even though it took high unemployment to bring President Obama to town, Garret says he is thankful the president came. "The attention we received from presidential visits helped shine a spotlight on our skilled labor that is highly trained and immediately available," he says. "Plus, we have a good number of manufacturing facilities available at very attractive rates. With our proximity to Chicago, Detroit, Indianapolis and Cleveland, we are a major supplier and logistics hub."

Officials point to other attributes like a labor market that is 50 percent manufacturing and within a one-day's drive of one-third of the U.S. population. Elkhart County is also Indiana's second-highest producer of patents since 1976.

For logistics, the county boasts the second-largest UPS overnight, over-the-road distribution center in North America, the second-largest rail switching yard in the U.S., and the busiest cargo harbor on the Great Lakes. "The infrastructure is conducive to goods and services moving in and out of the county," says Nautic's Orbik. "The major toll road, the I-80/90 Turnpike, runs east and west, and U.S. 31 is undergoing a refurbishment to bring goods in quicker from Indy."

Topping the haul of 2009 won't be easy, but Garret says the signs of early 2010 are positive. "We used to be known as the band instrument capital of the world," he adds. "We expect to make a major announcement in that sector any day. This is another industry that has fallen on hard times, but it should be rising from the ashes very soon."

—Ron Starner