

IOWA WORKFORCE DEVELOPMENT
**QUARTERLY
INDUSTRY REVIEW**

2011 3rd Quarter

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Whirlpool Lays Off 350 Workers



Photo: courtesy of morguefile.com

Amana—As reported by the *Waterloo-Cedar Falls Courier*—Whirlpool Corporation is laying off 350 workers from its refrigerator plant in Iowa.

Kristine Vernier, spokeswoman for the Benton Harbor, Mich.-based company, told KGAN-TV that 300 permanent workers and 50 summer workers are losing their jobs.

Workers were told of the layoffs Friday, July 15. They take effect August 1.

Earlier this year, Whirlpool announced plans to move some production capacity from a plant in Indiana to Amana. At the time, officials expected the change to create 60 jobs.

WESTERN IOWA

RETAIL TRADE

Council Bluffs—As reported by the *Omaha World-Herald*—Shoppers in Council Bluffs will soon have a new stop for brand-name clothing, a T.J. Maxx at Metro Crossing.

The store opens October 9. The 25,160-square-foot store's regular hours will be 9:30 a.m. to 9:30 p.m. Mondays through Saturdays and 11 a.m. to 8 p.m. on Sundays.

The new store will add about 60 full- and part-time jobs to the area.

Western Iowa Continued on Page 2

CENTRAL IOWA

GOVERNMENT

Des Moines—As reported by the *Omaha World-Herald*—A spokeswoman for the Iowa Department of Revenue says 22 workers have lost their jobs with the agency.

Spokeswoman Victoria Daniels said that 21 permanent employees and one probationary employee were laid off Thursday, July 7.

The cuts are part of reorganization efforts in state agencies as they prepare for the new state budget, which Gov. Terry Branstad is expected to sign in coming days.

Central Iowa Continued on Page 2

EASTERN IOWA

MANUFACTURING

Cedar Rapids—As reported by the *Quad-City Times*—AgSugar, A St. Louis biotech company, has been awarded incentives from the Iowa Economic Development Board and the city of Cedar Rapids to establish a manufacturing plant, a data center and executive offices in Cedar Rapids.

The incentives include a \$250,000 loan that will be repaid with royalties, returning \$375,000 back to the state; \$117,954 in tax credits; and \$205,200 in job training assistance. Cedar Rapids will provide \$17,237 in tax abatement.

Eastern Iowa Continued on Page 5

WESTERN IOWA

MANUFACTURING

Council Bluffs—*As reported by the Omaha World-Herald*—Tyson Foods said Friday it will temporarily lay off 135 people from one of its Council Bluffs plants as the facility undergoes a \$48 million renovation.

The project, Tyson said, will transform the current cooked meats operation at 2101 S. 29th St. into the company's fifth dry sausage and pepperoni operation.

The layoffs will begin to hit workers in September, when Tyson begins to slow production at the facility. By October, the plant will be closed until sometime in the spring of 2012, when the renovation is completed.

That means some workers could be facing at least six months of layoffs. During that time, Tyson said, employees still will qualify for some benefits, including health care, which the company helps pay for.

There are about 170 employees that currently work at the plant. Those workers not laid off, mostly management and maintenance staff, will stay and help prep the new pepperoni factory.

Those workers who are due to lose their jobs will be rehired on a seniority basis depending on what openings are available.

Tyson said the renovation will expand the plant by 60,000 square feet and is part of the company's strategy to meet the increasing demand for pizza toppings.

Employees at the company's Bluffs plant at 2700 23rd Ave., which produces case-ready beef and pork, will not be affected.

Hamburg—*As reported by the Des Moines Register*—First it was the Missouri River flooding for the town of Hamburg; now it's the economy. The town has learned one of its biggest employers is shutting down.

Ninety-five workers will lose their jobs in October when Con Agra closes its microwave popcorn plant. The company said it needs more efficiency and the plant closure was the best option.

Residents of Hamburg said they've had enough. "It's been a rough year for everybody in town," said Hamburg resident James Acamo.

Record flooding led to evacuations of part of the southwest Iowa town. The south and west sides of Hamburg are still suffering the effects of the high water.

Con Agra said the processing and packing center at its plant will remain open. That means 45 people will keep their jobs, but for 95 people employed in the production part of the plant, the future is uncertain. Some residents say the impact of the closure will stretch far beyond the lost jobs.

"It's a large blow to the city," said Acamo. "It's one of those things that doesn't just affect the people that are losing their jobs, but it affects families and ripples down to their friends and their families."

Acamo said he's concerned the flooding coupled with the microwave popcorn plant shutting down may be too much for the small town.

"A lot of people will say it's the nail in our coffin," he said. "It's not going to be long before the town is gone. Most of us won't believe that. We're a hearty bunch here and were going to make things pull through."

CENTRAL IOWA

MANUFACTURING

Hampton—*As reported by the Omaha World-Herald*—A company that makes corrugated plastic pipe has announced its plans to open a new factory in Hampton.

Advanced Drainage Systems Inc. said that it hopes to have the plant fully operational by mid-September.

Franklin County economic development officials said the plant will create 10 to 12 jobs and add more as production increases.

Company officials said Hampton was chosen because of its access to Interstate highways and its labor force.

CENTRAL IOWA

MANUFACTURING

Mason City—As reported by the *Mason City Globe-Gazette*—The Kraft Foods plant in Mason City will shut down twice this fall, affecting about 275 employees.

Joyce Hodel, corporate spokeswoman for Kraft Foods, said the plant typically shuts down for several days around Thanksgiving but will also shut down for a week in October.

During the October shutdown employees can take those days as vacation or a layoff, Hodel said.

The shutdowns are due to seasonal factors, external conditions and efficiencies at the plant, she said.

The Kraft plant makes prepared desserts such as packaged pudding at the plant.

WHOLESALE TRADE

Fort Dodge—As reported by the *Des Moines Register*—The closing of a Fort Dodge plant in 2014 will eliminate nearly 100 jobs, though many of those employees could still find work within the company.

Boehringer Ingelheim Vetmedica spokeswoman Cory Sullivan says officials recently decided to gradually remove production from the plant after pharmaceutical giant Pfizer opted to shift work away from the facility.

Sullivan said about 90 percent of the work done at the plant is manufacturing Pfizer products.

The company is preparing to expand its research capabilities at its main Fort Dodge facility. The Messenger newspaper in Fort Dodge says that expansion will yield nearly 60 new jobs.

Sullivan said the company hopes the majority of the laid-off workers can transfer to another facility.

Mason City—As reported by the *Mason City Globe-Gazette*—Twenty-three Mason City sugar plant workers were locked out of the American Crystal Sugar plant after negotiations broke down.

The local is one of seven affected by the contract breakdown. The Mason City labor force is a small part of the estimated 1,300 workers in plants in North Dakota, Minnesota and Iowa.

The seven-year contract expired at midnight, said BCTGM Local 269G President Tom Johanns.

A lockout was initiated because without a contract no labor force can be allowed on the premises, Johanns said.

"I guess management is running things inside," he Johanns was one of half a dozen workers who publicized and protested the lockout just outside the plant on 300th Street, just off Highway 65 north of Mason City.

American Crystal is based in Moorhead, Minn. According to The Associated Press, replacement workers arrived before dawn at some locations on Monday.

The Mason City plant is the only one in Iowa. The local plant is a bulk sugar storage and distribution facility.

"There is no incentive to sit back down" in the current contract proposal, Johanns said.

He said that of the 97 percent of workers in seven plants voting on the plan, 96 percent rejected it.

American Crystal, the largest beet sugar processor in the U.S., had offered a 17 percent pay increase over five years but workers were upset about provisions covering job security and health care costs.

Yet, workers said, sugar sales are up and management earned a 28 percent increase.

INFORMATION

Red Oak—As reported by the *Omaha World-Herald*—Communications One, a Kanawha-based telecommunications company, broke ground recently for a building on Main Avenue in Britt with a similar building under construction in Garner.

The new locations will support the company's expansion of services and fiber optic cable along with Internet and phone service into the Britt and Garner areas.

CENTRAL IOWA

INFORMATION

Continued from page 3—Red Oak—As reported by the Omaha World-Herald— Communications One serves Kanawha, Klemme and Corwith, said Randy Yeakel, chief operating officer and president of Communications One.

The entire expansion project will cost around \$8 million, he said.

Laying fiber optic cable underground will begin near Garner in August.

Yeakel said it will take about three years to complete the project.

"The main thing we want you to know is it will be a work in progress," Yeakel said. "We are looking at a minimum of three years before everything is all hooked up."

First to be serviced will be local businesses, Yeakel said.

"They are the lifeblood of the community," Yeakel said.

New services will provide subscribers with better connection speeds, clarity and more service on voice lines, Yeakel said.

He said the firm has added a marketing and sales representative and a customer service representative who will be based out of the Britt office.

Potential technician jobs will be added later.

Britt is now served by both Qwest and Mediacom. The addition of Communications One will provide one more option to residents as well as provide a few jobs, Yeakel said.

Adding a third communications provider will be good for competition, Britt business owner John Swenson said.

Hancock County Economic Development Corp. Executive Director Dwight Widen said, "Communications One will help bring the future to our region. We are pleased to have them. They have a good vision and a great plan and we will do whatever we can to support them."

PROFESSIONAL & TECHNICAL SERVICES

Ames—As reported by the Omaha World-Herald— A software development company has announced plans to bring 20 new jobs to Ames this fall.

Georgia-based Rural Soluxions LLC plans to open an office in Ames in October. The company hopes to be able to add more jobs in the future.

Ron Hallenbeck of the Ames Economic Development Commission said the jobs will be well suited for experienced information technology workers as well as recent graduates of Iowa State University who want to stay in Ames.

Rural Soluxions' parent company, Xpanxion LLC, offers software development, design, maintenance and support.

The focus of the Ames office will be software testing and quality assurance for existing and future clients.

ADMINISTRATIVE & WASTE SERVICES

Marshalltown—As reported by the Marshalltown Times-Republican— Thomas L. Cardella & Associates announced the company will bring 50 new jobs to its contact center located in Marshalltown.

Applications are now being accepted for the 50 outbound sales positions that will be hired over the next several weeks.

The first paid training class is scheduled for July 25th and additional classes will be held in August.

"The company is excited to be able to bring this many additional quality jobs and benefits to the residents of Marshall County," Thomas L. Cardella said. "We are committed to job growth in Iowa and our clients needs are well served by the dedicated workforce in this hard-working community."

Cardella said the hiring spree was the result of new contracts the company has received recently, which will require an additional workforce.

CENTRAL IOWA

ADMINISTRATIVE & WASTE SERVICES

*Continued from page 4—Marshalltown—As reported by the Marshalltown Times-Republican—*The full-time positions will work Monday through Thursday on a swing shift, as well as a Saturday day shift.

All positions will receive guaranteed pay increases every six months and comprehensive benefits are available. Individuals hired into these positions will require outstanding communication skills, with a background in sales preferred. Successful completion of pre-employment background check is required.

The company has continually invested in Marshalltown because it is happy with the workforce here, Cardella said.

"Overall, we've been very pleased with Marshalltown," he said.

EASTERN IOWA

CONSTRUCTION

*Waterloo—As reported by the Waterloo-Cedar Falls Courier—*A 90-year-old construction company that built many of the buildings of Waterloo's largest manufacturers and retail centers is closing.

Prairie Construction, the successor to Jens Olesen & Sons Co., one of Waterloo's oldest construction businesses, is closing effective at the end of September.

The company currently employs about 25 people. Prairie officials will do what they can to help them find other work.

MANUFACTURING

*Bettendorf—As reported by the Davenport Quad-City Times—*The president and CEO of an LED light manufacturer told the Bettendorf City Council that he plans to move his company's manufacturing from China to the 1-74 Industrial Park in Bettendorf.

The \$10 million project would bring 132 jobs with a starting wage of about \$16.97 an hour, and would be the first development in the 1-74 Technology Park, located northwest of the intersection of Tanglefoot Lane and Utica Ridge Road.

The council approved the first reading of an ordinance that would establish a tax increment financing district for the development of a 75,000 square-foot facility on a 1.05-acre tract of land at the technology park.

Joel Westermarck said his company, LEDs America, manufactures the Led-O line of LED lights, which are designed to replace florescent bulbs. He said his company's products can last 50,000 hours, and are more durable and 60 percent to 80 percent more energy efficient than standard bulbs.

He said the products are primarily marketed to hospitals, schools and offices.

Bettendorf Economic Development director Steve Van Dyke said one of the most exciting aspects of the project is that it would bring jobs from China to Bettendorf.

*Cedar Rapids—As reported by the Cedar Rapids Gazette—*Clipper Windpower, citing reduced market demand, is reducing its workforce by 75.

"Recently, the wind market in North America has reduced significantly and become price competitive, requiring companies like Clipper Windpower to look for every opportunity to reduce cost," the company said in a statement Thursday.

The 75 positions are being eliminated "across the business,"

the statement said. Spokesman Bryan Kidder said he did not know the exact number affected in the company's Cedar Rapids location, where Clipper manufactures wind turbines.

*Cedar Rapids—As reported by KCCI.com—*A California manufacturer of unmanned surveillance drone aircraft expects to open an operation in Cedar Rapids next year.

AirCover Integrated Solutions of El Dorado Hills, Calif., plans to lease space near downtown to assemble, test and sell its QuadRoter systems to non-military commercial users, such as police, firefighters, farmers, forest rangers and railroads.

EASTERN IOWA**MANUFACTURING**

*Continued from page 5—Cedar Rapids—As reported by KCCI.com—*The project is contingent on approval of state and local incentives.

The project represents \$5 million in capital investment and will create 15 to 25 jobs over the next three years.

Company President James Hill says its drones are designed to deploy rapidly and get feedback on "dirty, dull and dangerous missions." The aircraft, which weigh less than 5 pounds, are equipped with cameras and heat sensors to produce real-time streaming video.

Davenport—*As reported by Bloomberg Business Week*—Alcoa Inc. will invest \$300 million to expand and add 150 jobs to its Davenport plant to meet the growing demand for demand from the automotive industry as automakers work to meet federal guidelines for increasing gas mileage and lowering emissions, company officials announced Thursday.

Alcoa officials were joined by Gov. Terry Branstad and other state leaders in making the announcement from Branstad's office in Des Moines. It followed a decision earlier in the day by the Iowa Department of Economic Development board to award \$3 million in incentives to the Pittsburgh aluminum manufacture for the project.

Alcoa Vice President and General Manager John Fox said demand for aluminum products produced by Alcoa is growing with the new automotive guidelines.

"It allows for a smaller power train, better mileage and less CO2 output," Fox said. "It means our business is growing quite well."

Fox said the company approached the governor about expanding in Davenport.

"We saw Davenport as being the best locations because of its workforce and a very progressive support from the government side," he said. "We hope this is just the first phase of what can be a very dynamic growth period for us in the automotive area."

"All the major manufacturers continue to express interest in moving to aluminum, with that movement that means we can bring more people to work," Fox said.

The expansion will also help retain 200 jobs Fox said would otherwise have been lost.

He said with the automakers required to increase mileage by 2016, the company needed to move forward with the project immediately.

He said equipment has been ordered and the expansion of the plant is expected to be completed by the end of 2013.

The plant currently employs nearly 2,200 employees, and Fox said the experience of that workforce was a key factor in the decision to expand in Davenport.

"It gives us the opportunity to do some work we're very used to doing so our chances for success grows even more with the experience of this work force," Fox said.

Construction will begin as soon as the air quality permits are approved by the Iowa Department of Natural Resources. Branstad said he's working with the DNR to get permits approved as quickly as possible.

"Remember what this is all about is actually going to be reducing pollution because by making these lighter weight vehicles that emit less and get better mileage we're really helping the environment so this is something I think is very positive and the DNR will see the benefit as well," Branstad said.

Fairfield—*As reported by the Cedar Rapids Gazette*—Consolidation of Harper Brush Works distribution facilities is expected to bring 25 to 30 jobs to the company's distribution facility in Fairfield.

The manufacturer of brooms, brushes and handheld cleaning products has manufacturing and distribution facilities in Greenville, N.C., and the Jefferson County community.

The company determined it was spending too much time and money forecasting inventory needs by location and moving products between sites.

The consolidation plan is contingent on a state and local incentive plan that will be considered by the city of Fairfield and the Iowa Department of Economic Development.

EASTERN IOWA

MANUFACTURING

*Continued from page 6—Grinnell—As reported by the Des Moines Register—*Jeld-Wen Inc., an Oregon-based window and door maker with operations in Grinnell and Dubuque, will sell a majority interest to Onex Corp., a publicly traded, Toronto-based private equity company, later this fall.

The transfer of ownership will have no impact on the company's work force, either in terms of head count or benefits, Jeld-Wen communications director Ten Cline said.

The company's window and door-making plants in Grinnell employ about 500 people, while about 85 people work in its Dubuque operations. Worldwide, Jeld-Wen has about 20,000 employees, including about 1,125 at its headquarters in Kiamath Falls, Ore.

Onex announced plans in May to acquire 39 percent of Jeld-Wen for \$475 million, but said earlier this week that it will increase its control to 58 percent at a total cost of \$675 million. It will also lend Jeld-Wen \$189 million, which is expected to be paid off in 18 months.

The restructuring was prompted by the death in 2010 of co-founder Richard Wendt. His son, Rod Wendt, will remain as chief executive, while Onex will bring in a new president, Philip Orsino, a former CEO of Masonite International.

The transaction is expected to close in the third quarter. Onex has \$14 billion of assets under management.

Independence—*As reported by the Independence Bulletin Journal—*L&M Radiator, Inc. intends to expand production at its Independence plant by hiring about 30 percent more workers.

Dan Chisholm, company president, said the goal is to add more manufacturing positions by late September and by year-end. The positions are primarily entry level for applicants with demonstrated mechanical abilities.

L&M currently employs 95 at its plant at 700 17th St. S.E. L&M Radiator manufactures heavy-duty radiators and heat exchangers under the brand name MESABI.

L&M's Independence plant was L&M's third US plant when it opened in 2005 and fifth in the world. L&M also has plants in Mexico and Australia and is in the process of opening a plant in northern Chile that will serve L & M's markets in South America. Total L & M employment worldwide is more than 700, according to Chisholm.

Iowa City—*As reported by the Oelwein Daily Register—*Roberts Dairy says it's closing its plant in Iowa City immediately and moving operations to Dubuque and Omaha, Neb.

The Iowa City Press Citizen says the company sent a letter to the mayor, saying the closure is effective July 22. Forty-seven workers will be affected. Roberts Dairy will continue to employ 30 workers as drivers and support personnel. In the letter, the company says the closure is the result of lower volumes and the need to consolidate operations.

The dairy says it will continue to have 250 employees in Iowa.

Muscatine—*As reported by the Davenport Quad-City Times—*Gov. Terry Branstad got some good news at the Hon Co. during a quick tour of the company's showroom, and so did the community.

The Muscatine-based company will add 90 to 100 production jobs in Muscatine to perform work that's now being done at the company's Cedartown, Ga., plant.

HNI Corp., Hon's parent company, already employs about 3,000 people in Muscatine and about 3,500 in Iowa.

The jobs will be added over the next four to five months, said Gary Carlson, HNI's vice president for member and community relations.

Some workers who are now temporary will be made permanent, he said.