

Homegrown businesses keep rural decline at bay

Manufacturing investment, entrepreneurship helping Harvey Co. towns thrive

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BURRTON - This tiny town of 932, with no stoplight, may seem just like any other sleepy rural community trying to survive.

To some extent, the main street resembles a ghost town - one with several closed stores and boarded windows. The grocery store ceased trade years ago. One restaurant, simply named the Burr-ton Diner, went out of business last year.

Yet when Steve Lang decided to expand his company specializing in hardwood products for upscale homes, it wasn't debated where he would set up shop.

Rather than the metro-hub of Wichita, where some of his business goes, Lang chose his Harvey County hometown.

Today, after two expansions in the past four years, and with the help of the U.S. Department of Agriculture's Rural Development Agency, Lang Architectural Millwork Products includes two new buildings, a total 160,000 square feet and 100 employees.

His expansion last year added 30 to the payroll and \$3 million in investment. He bought some of the dilapidated downtown buildings and works to revitalize them.

Moreover, he hopes his efforts will revive the town where he raised his family - as well as boost enrollment at the 1A school.

"It would be a lot easier for us to move to Wichita, but I wanted to stay here," Lang said. "Our town needs jobs."

Harvey County growth

Lang's achievements are just a few of several burgeoning efforts in five Harvey County communities that are shrugging off trends of rural decline.

Eleven companies in these cities, all with populations of fewer than 4,000 people, have added \$39.4 million in new manufacturing investment in the past 18 months, as well as 255,650 additional square feet of manufacturing space and 267 new jobs, said Mickey Fornaro-Dean, executive director of the Harvey County Economic Development Council.

A few of the success stories include Burrton's Southwest and Associates, a custom metal fabrication firm that works with the food and grain industry. The company is amid a \$450,000 expansion, said Burrton Mayor Mike Day, who also is the project manager at Southwest. An office expansion added four employees, and an extension of the manufacturing facility will add another eight or 10 people.

Halstead's Legg Co., which makes industrial and agriculture belting, now operates under 150,000 square feet after its latest \$3 million, 30,000-square-foot expansion that soon will boost employees to nearly 80, said Legg President Steve Chartier.

Lonnie Martin, owner of Halstead's Martin Machine and Welding, said by the end of the year his company would be in 55,000 square feet of building space after an \$825,000 expansion in his hometown.

And in Hesston, both Excel and AGCO are amid growth efforts, said city administrator John Carder.

Excel broke ground in October for a \$4 million, 55,000-square-foot project, which comes right after another \$4 million, 44,000-square-foot expansion that added a powder coat paint system and additional assembly space, said the company's operations executive, Bob Mullet.

I'm reluctant to say we are unique," said Hesston Mayor John Waltner, "but I'm certain to say we are very, very fortunate.

We had people in our past who were entrepreneurs - people with good ideas, and they hired excellent people to work with them."

Homegrown

For years, towns have leaned on the "If you build it, they will come" strategy.

Economic development agencies created industrial and business parks, touted incentives and low labor costs in efforts to lure big business.

Yet in Harvey County, while leaders would welcome a major manufacturer, these small towns aren't banking their hopes on large-scale companies like Boeing or Goodyear. "A lot of them ... even AGCO, they started out here locally," Fornaro-Dean said of the global agriculture company formerly known as Hesston Corp. "This county has a history of entrepreneurship, vision and growth."

For instance, Lang started his company from a one-man operation in 1988 that sold oak molding and lumber. Today, he manufactures and sells just about every kind of wood product that would go in a home.

Unruh Fab started in the early 1970s after former western Kansas farmer Harley Schmidt moved to the Sedgwick area and began welding.

A Texas man heard of his skill and asked him to build a glass trailer to carry glass products. The glass didn't break, and a business sprang up, said President Steve Brown.

"He moved out of his garage and started building these trailers," Brown said, noting that Schmidt received the startup capital from his father-in-law, who said he didn't need to be paid back but asked that Schmidt name the company after him.

Brown said Unruh grew from 15 employees when investors purchased it in 1997 to nearly 40 today. The company still makes trailers and racks for the glass industry out of a 48,000-square-foot facility. Last year, it diversified into another 20,000-square-foot structure to manufacture small fire trucks.

"We're really happy here," Brown said. "And instead of building in Wichita, we would rather build right here in a little town."

Struggles

For most, the ride to where they are today wasn't easy.

Excel was down to 150 employees after John Deere announced in the late 1990s that it no longer needed the company to make cabs for its machinery.

Excel had to think innovatively to get the company back on track, Mullet said. It decided to expand from just making commercial rotary mowers into the homeowner sector. Last fall, Excel formed a partnership with a Japanese company to offer golf turf equipment and other products.

When the agriculture economy took a downturn, Legg's Chartier started growing the company's industrial sector, which now is 80 percent of the company's business.

"If you go back 15 years, ag was over 80 percent," Chartier said. "Agriculture hasn't really gone down, but industrial has just grown that much because it is a bigger market and has more potential."

Lonnie Martin said he started Martin Machine and Welding about 20 years ago in his garage. He saw substantial growth until the Sept. 11, 2001 terrorist attacks caused an economic decline.

"When we came through to the other side, there were 40 percent less shops like me," Martin said, noting that fact has helped him grow.

Martin said he still faces a constant climb, however. Some of his customers have outsourced business to China, Mexico and elsewhere.

"Sometimes you have to measure success from what we lose along the way," he said.

Bettering the community

Steve Lang moved to Burrton shortly after he married in the 1970s. Today, he has a vision for his town.

It includes a prospering downtown and vibrant school, as well as quality, affordable housing. With 50 percent of his workforce living outside Burrton, he sees families moving to town.

He's also looking into whether the community could support a cooperative-run grocery, as well as luring business to the downtown he is renovating, noting that, if nothing else, he might put his offices there.

Chuck Banks, the state director for the U.S. Department of Agriculture's Rural Development Agency, last year launched an incentive targeting communities like Burrton in south-central Kansas, trying to help provide infrastructure, housing and other assistance for communities to grow and prosper.

Through the business and community programs section, USDA has provided nearly \$62.3 million in funding in the past six years to the area, Banks said. Those funds have helped businesses like Lang's company.

Yet that is only one aspect to a town, he said. Addressing issues such as affordable housing has been a frontrunner to help communities grow business and lure in residents - noting that in many rural towns, it's been several years since anyone built a new home.

Mayor Mike Day said Burrton is working with Rural Development in an effort to better housing. The city also has begun efforts to tear down substandard structures, which he said would beautify and help his hometown grow.

"We've really needed to attack our housing," Day said.

He noted Lang's employment facts as well as those of Southwest's, where less than 30 percent of the employees live in town.

"With the school as good as it is, we have the potential to get more people here."

In Hesston, Mayor Waltner said Mennonite Housing recently purchased a subdivision to build new homes.

The town of 3,656 employs more than 2,200 people, drawing from an employment base across several counties.

"Hopefully, we can bring affordable housing to working families," Waltner said. "We want to be sure we are doing what is necessary so (our workforce) can live here."

Continued growth

Halstead's Martin credits his business expansion to Fornaro-Dean and the work of the county's economic development. "She's a mover and a shaker," he said. "We were very fortunate to get someone of her caliber in such a small county."

Fornaro-Dean, who was the Winfield Chamber of Commerce director before moving to Harvey County, admits she's had offers. Nevertheless, her focus for the past 10 years has been Harvey County, and she doesn't plan on that changing.

Manufacturing is just one piece of the growth, she said, noting an expansion of Newton Medical Center. There are also new retail businesses on every town's main street.

And besides the small-town successes, Newton, the county seat town of 18,100, is growing as well, she said. In the past 18 months, Newton has added \$3.2 million in investment, creating 66 jobs and 60,000 square feet in manufacturing space.

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"I love the community," she said. "I feel like I'm doing something that really makes a difference."

She continues to try to bring companies to the area, as well as working with the already established ones. But she stays close-lipped on new growth - saying only that there could be announcements in the future. Potential is big, she said. Interstate 70 and U.S. 50 intersect at Newton. "There is so much more opportunity for this county," she said. "It's amazing."

Harvey's growth

New jobs

Newton 66

Small towns 267

New square feet of Manufacturing space

Small towns 255,650

Business boom in harvey county

In the past 18 months, Harvey County's small towns have seen exponential growth.

Twelve companies in these cities, all with populations of fewer than 4,000 people, have added \$39.4 million in new manufacturing investment in this time period, said Mickey Fornaro-Dean, executive director of Harvey County Economic Development Council.

Newton has \$3.2 million in business investment, as well.

Burrton, population 932

Southwest and Associates: Specializes in metal fabrication construction for the food and grain industry. It's in the middle of a \$450,000 project. An office expansion recently added four employees, and expansion of the manufacturing facility will add another eight or 10.

Lang Architectural Millwork Products: Started 20 years ago and now operates under 160,000 square feet after a \$3 million expansion that added 30 employees, boosting the workforce to 100.

Halstead, population 1,912

Legg Co.: Makes industrial and agriculture belting. The company now operates under 150,000 square feet after a \$3 million expansion, which will boost employees to nearly 80.

Martin Machine and Welding: Plans to expand from an 8,500-square-foot building to space of more than 55,000 square feet. The \$825,000 expansion would add six employees, increasing employment to 40.

SemGroup: Started construction on the first Kansas polymer-modified asphalt terminal in 2006. The multimillion-dollar project includes roughly eight storage silos, an office complex and a place to mix product.

Hesston, population 3,656

AGCO: Hesston has issued \$7.8 million in industrial revenue bonds to AGCO for expenditures in 2007. Historically, AGCO has invested several million in plant improvements and equipments each year.

Excel: Manufactures the Hustler line of commercial rotary mowing equipment, as well as the homeowner unit FasTrak. In October, the company partnered with a Japanese firm to offer golf turf equipment. A \$4 million, 55,000-square-foot project is under way, following completion of a \$4 million, 44,000-square-foot expansion that added a powder coat paint system and additional assembly space.

Sedgwick, population 1,640

Unruh Fab: Makes trailers and racks for the glass industry and other products. A recent expansion into a 20,000-square foot structure allows the company to build small fire trucks. It employs 40.

Healy Biodiesel: Turns restaurant grease into diesel products. The business includes three employees.

Newton City/County Airport

Park Aerospace Materials Corp.: A \$15 million, 50,000-square-foot building under way for manufacturing and development of composite materials used primarily in the aerospace industry. It will employ 65.

ExTech: The small manufacturer of aviation parts moved in last year to a new 10,000-square-foot building. It employs six.

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