

# Small Towns With Big Ideas

## Small Communities See Economic Gains With Manufacturing Ventures

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When it comes to manufacturing, big things are happening in small towns. That's true at Springfield, where the opening of the Rush-Co plant has brought a boost for the Bon Homme County community of about 800 residents. The private-sector jobs complement the state-supported jobs at Mike Durfee State Prison in town. Springfield welcomes the addition of Rush-Co, located at the north end of the community, said City Finance Officer Candace Grassel.

"Jobs, family, community, economy, the whole gamut of a functional, thriving city is what is important," she said. "Rush-Co provides good jobs and is a family/community oriented business that we are proud to have in Springfield."

Rush-Co, a Shorma family company, opened in Springfield in January 2009. The company produces fabric covered metal framed buildings, boat lift canopy covers for all brands, custom products, and rail car tarping systems.

"(The plant) has 32 employees, and it's growing nicely," Grassel said.

Springfield seeks to attract other companies to town, she said. The city owns 22.07 acres in the industrial park available for new or expanded manufacturing. Property is listed on the Governor's Office of Economic Development (GOED) website.

Springfield isn't unique in its efforts to diversify its economy with manufacturing, according to Greg Henderson, executive director of the Planning and Development District III office in Yankton.

"It seems that most manufacturing companies in small communities are organizations that started there. You go to Wildcat Manufacturing (of Freeman), and it's local presence (dating back to the early 1970s)," he said.

"Other start-ups are local individuals who were interested or had worked with rural manufacturing. You have families where it was started by somebody who grew up out there and stayed."

In many cases, the local owner built the plant or otherwise contributed to the start of the operation, Henderson said.

"It's home-grown in the sense that someone built the infrastructure," he said. "The built-in advantages with the community members are that they know the environment and their customers. In that respect, it's very practical."

Manufacturing jobs help diversify a local economy that depends heavily on agriculture, Henderson said. On the other hand, rural manufacturing often produces agricultural equipment or adds value to other local products, he said.

Many rural residents possess hands-on skills that fit well with manufacturing jobs, Henderson said. However, a person looking to start up a company also needs a strong business plan, experience with the product and access to skilled workers and materials, he said.

"There are a variety of different opportunities," he said. "They can make their own product from start to finish, or they can make the components for larger companies."

Sue Stoll serves as the regional director for the Small Business Development Center, which offers free business consulting, Henderson said.

"More people are entrepreneurial and willing to take risks, but it's still tough to start a business," he said.



**The Rush-Co plant, located on the north side of Springfield, represents the Bon Homme County community's efforts to diversify its economic base. The Shorma family company opened in January 2009 and currently employs 32 workers. Rural towns — many of them with 2,000 or fewer residents — have found manufacturing provides higher-paying jobs that help stabilize the local economy and help maintain schools, churches and services.**

RANDY DOCKENDORF/P&D

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CANDACE GRASSEL

### ELK POINT'S SUCCESS STORY

Elk Point, located in extreme southeast South Dakota, has found success with larger scale manufacturing, according to City Administrator Dawn Glover.

The Union County seat of about 2,000 residents — a population that has grown 14.5 percent since the 2000 census — could easily serve as a bedroom town for Sioux City or Vermillion.

However, Elk Point has found home-grown jobs with its manufacturing sector.

"Rural manufacturing plays an important role in Elk Point. We have three major manufacturers currently employing more than 260 people," she said. "These manufacturers provide another job market for employees in Elk Point in addition to the agriculture professions, school and county government employees and service professionals."

Glover, who also works with Elk Point economic development, outlined the major manufacturers in her community:

- ThermoBond, manufacturer of custom equipment shelters and cabinets, currently employs 101 employees with a year-to-date \$3.2 million payroll. These products are in high demand to protect communications and electrical equipment. ThermoBond has been in business in Elk Point for more than 20 years.
- Aaladin Industries began manufacturing high pressure cleaning equipment in 1981. From this business evolved Steel Eagle, which manufactures industrial and commercial cleaning and storage products and Rugged Gear, maker of hunting and shooting products.

The total number of employees for these

three businesses is 76, with payroll totaling \$3,050,000 for the year ending July 31. Aaladin Industries began construction on a 25,000-square-foot addition to house the sheet metal operations.

- Load King Trailers, Elk Point's oldest manufacturer, has been in business for 56 years. In addition to producing heavy haul trailers, Load King has found a growing niche in the market for rehabbing older trailers. Load King employs 85 people, with 69 being hourly employees and 16 salaried/professional positions. The company's 2012 estimated annual payroll is \$3 million.

"These employees spend money in our community, whether buying groceries, filling prescriptions, dining at one of the local establishments, or filling their gas tank before they get on the road," Glover said.

"They may also partake in the recreational facilities offered in Elk Point such as our 9-hole golf course, municipal swimming pool, hike and bike trail, fitness center, professional ball fields and city park. This stimulates our local economy and provides sales tax revenue to our community."

The Elk Point Economic Development Corporation recently acquired 28 acres to develop as a business park. Planning is under way to fund installation of the infrastructure to make the park business ready.

The strong manufacturing base provides a foundation for the rest of the regional economy and services, Glover said.

"Good paying jobs in our local community may also bring in new residents," she said. "Elk Point has a great school system, available affordable housing and many local service professionals."

### GROWING THE WORKFORCE

Rather than recruit workers from outside the region, some rural communities are turning to workforce training programs to build their labor supply from within the town.

Yankton and Vermillion recently received Community Development Block Grants (CDBG) totaling \$140,000. The grants are expected to train individuals in high-demand career fields.

Even if the training remains in those two regional centers, the grants stand to benefit surrounding smaller communities.

"I'm delighted to see the workforce development element of the CDBG program spring into action," said Gov. Dennis Daugaard. "This was a change to the program we made when the South Dakota Workforce Initiatives (SD WINS) was launched earlier this year. Filling our workforce needs in South Dakota is a priority for everyone, and I'm optimistic the effort will be successful."

The awards are allocated as follows:

- Vermillion is using its \$32,500 to expand its Welding Boot Camp Program, which is a partnership with Masaba Mining Equipment and the Vermillion School District.

Grant dollars will be used to purchase additional equipment, which will allow for larger class sizes and the training of 56 additional individuals. The 35-hour welding course includes steel cutting methods, shop safety, math skills and various welds used in local manufacturing.

- Yankton is working to recruit individuals to manufacturing jobs in the Yankton area and south-central region of South Dakota.

The \$107,500 grant will purchase a mobile training unit (MTU) to haul industrial grade equipment that will be used to help train 20 dislocated workers, unemployed individuals, under employed adults, high school students and upgrade the skills of currently employed workers.

## Infrastructure – In All Forms – Key To Local Economy

BY EMILY NIEBRUGGE  
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Transportation and infrastructure continue to be an important part of Yankton's future — from roads, highways, bridges and rail-ways.

Mike Dellinger, executive director of the Yankton Office of Economic Development and president of Yankton Area Progressive Growth said these structures are important to maintain Yankton's primary jobs.

"A primary job is a job that manufactures a good or service that is exported out of the local economy in exchange for money or another good or service that has been brought back in to the local economy," he said. "From that perspective, manufacturing and agriculture are so incredibly important to our community in that primary job creation and they have been the growth and the sustenance of Yankton."

Without primary jobs creating items in Yankton that are consumed elsewhere, Dellinger said the North American and global

economies would not be what they are today.

To keep exportation possible, Dellinger said it is important to maintain transportation routes in the community.

"If our roads are in poor shape, it costs us more money to transport our goods and services to market," he said. "It's not only in the cost of transferring them, but in the cost of maintaining them and having to buy or maintain our trucks. If the roads are in better condition, it costs us less for our equipment and what it takes to transport our goods."

Mayor Nancy Wenande said the City of Yankton has done a good job maintaining the transportation systems, especially when it comes to bridges.

"Bridges are incredibly important, but they're incredibly expensive to repair," she said. "The city has done a good job of watching the bridges and maintaining the bridges."

Wenande also said there have



Wenande

been some issues with the Pine Street Bridge in front of Webster school. The bridge can no longer handle bus traffic.

"The interim city manager had to set up a new bus stop when requested by the school district so the buses could have a different route to drop off the kids so they didn't have to cross the Pine Street bridge," she said. "We do not have money budgeted at this point to repair the Pine Street bridge, because other than the buses, there are no other semis or large vehicles that drive across it."

The highway infrastructure is also important, Dellinger said.

"It helps us bring in the raw materials, and it helps us transport out the finished goods," he said. "As a community that relies heavily on agriculture and manufacturing, we need those roads to transport our goods to the market. That's very important."

Highway also allow tourism to occur and visitors to come to Yankton, while leaving their money behind in the local economy, Dellinger said.

Ron Peterson, Yankton area engineer for the South Dakota Department of Transportation, has dealt with the concern of maintenance of the transportation infrastructures in Yankton. He has been with the department for more than 40 years and said there are many issues to deal with.

"The funding to maintain our roads is always an ongoing issue. Making enough money to adequately maintain and keep our roads up is an ongoing thing," he said. "I don't have direct control over it, but it is a concern."

"Looking on the construction side, it's just being there to oversee the contractor's work that's kind of a battle. We've got a lot of projects going on, and sometimes we've got limited staff to oversee those things. Helping folks do those things daily is an ongoing challenge, but it's been a very interesting one."

Wenande said bridges, highways, roads and rail are not the only important type of transportation. The transportation of ideas into the Yankton community is also something she feels is crucial.

"From a non-profit standpoint, because I do a lot of business with non-profit and a lot of volunteering, it's about the importing of the ideas and money from outside the community," she said. "The Mead project is a perfect example of, 'We have this great historic building, and there are people all around the world who have those philanthropic viewpoints, and love historic buildings. But how do we get the project we have here to those people so they can import their dollars and their ideas or their time if they're able to give us that towards the project?'"

"What people are doing in other communities is something to be considered too," she said. "We don't have to reinvent the wheel when we have a project. If we can get those types of ideas in the community and get a mechanism to share them, that's beneficial to everyone in the community. And obviously, importing people for the workforce is important, too."

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