

IT'S NOT MAGIC, but Retention Emphasis Pays Off for Missouri Town

Article and photos by Susan C. Thomson

The bad news came in Corey J. Mehaffy's first week as president of the Moberly Area Economic Development Corp. Dura Automotive Systems announced the layoff of 200 workers at its auto parts plant in Moberly, Mo. As part of its parent company's bankruptcy reorganization, a bulwark of the local economy was losing half of its work force to Mexico.

Though the February 2007 decision was irrevocable and he was new to his job, Mehaffy was on the spot "to try to make the best" of the company's situation, recalls Regina Reid, who was then the human resources manager at the Dura plant in Moberly. He worked with the company and other local partners to help the excess employees get skills assessment, job search and retraining—federal benefits due them as autoworkers whose jobs left the country.

This sort of service has become Mehaffy's modus operandi: to deliberately spend more time working to retain local businesses—and, if possible, help them grow—than trying to woo new employers from out of town.

"We do formal visits with all of our large employers in the area, usually three times a year, sometimes more," he says. "We sit down with them and ask how they're doing, if there's anything that we can do for them, if they're having any issues. We talk about training opportunities and work force trends."

Mehaffy recalls one painful rebuff. Carrollton Specialty Products, which made and packaged Hallmark cards, spurned his repeated offers to approach Hallmark after the card company decided to outsource the work of Carrollton's Moberly plant. It closed in early 2009, with 200 jobs dispatched to China.

In contrast, Orscheln Products welcomed Mehaffy's services. The maker of vehicle controls announced in July that it would close a plant in Ohio and move production to its Moberly plant. President Robert Orscheln credited Mehaffy for helping to secure the incentives that made the move feasible. These included \$916,718 in state tax credits, plus exemptions for state sales taxes

Moberly, Mo., by the numbers

POPULATION

City of Moberly	14,227*
Randolph County	25,723*

LABOR FORCE

Randolph County	12,927**
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UNEMPLOYMENT RATE	9.0 percent**
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PER CAPITA PERSONAL INCOME

Randolph County	\$25,230***
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* U.S. Bureau of the Census, estimate July 1, 2008

** HAVER (BLS), October 2009

*** BEA/HAVER, 2007

TOP EMPLOYERS

Orscheln Industries	725 †
Moberly Correctional Center	520 ††
Moberly Regional Medical Center	410 ††
Wal-Mart Perishable Food Distribution Center	400
Moberly Public Schools	365 ††

† Includes Orscheln Products, Orscheln Farm and Home, a real estate development and property management unit and the group's headquarters.

SOURCES: Self-reported except Moberly Area Economic Development Corp. for Wal-Mart.

†† Includes part-timers





Corey Mehaffy, president of the Moberly Area Economic Development Corp., puts more time into business retention than he does recruitment, and the strategy has paid off. Behind him is one of the 22 shovels on the walls of the conference room where he works, each representing a groundbreaking since 1992.

on energy and new equipment purchases, all in exchange for the company's pledge to create 100 jobs over three years.

The company is part of Orscheln Industries, which includes a real estate development and management unit and 150 Orscheln Farm and Home stores in nine Midwestern states. All are based in Moberly and overseen by Robert's older brother, Barry.

The brothers are third-generation Moberly businessmen, whose paternal grandfather and his four brothers began branching out from farming into other enterprises in the 1920s. In their day, Moberly remained somewhat the "magic city," a sobriquet from years of explosive growth as a railroad hub halfway between St. Louis and Kansas City. Rob Cater, president of the Bank of Cairo & Moberly, says the city's good times rolled through the 1950s, when railroading declined and manufacturing began taking up the economic slack.

Manufacturing hit a bottom in the 1980s, when DuPont, Toastmaster and Wick Homes closed their Moberly plants, putting hundreds out of work, recalls Michael Barner, director of the Moberly Area Technical Center, a technical high school funded by area school districts and housed at Moberly Public Schools. "A good portion of the middle class was knocked out and had to relocate," he says.

The city's economic history from 1992 is represented by 22 shovels decking two walls

of the development corporation's conference room. Each shovel represents a groundbreaking, five of them for distribution centers, one since closed.

Including the four that remain and one from before 1992, Moberly counts five distribution centers today, for Scholastic Book Clubs, Goodyear Engineered Products, Orscheln Farm and Home stores, Mid-Am Building Supply and Wal-Mart, the newest and largest. By the development corporation's count, their combined work force of some 1,100 people makes distribution the city's second-largest employment sector after manufacturing, which employs about 1,400.

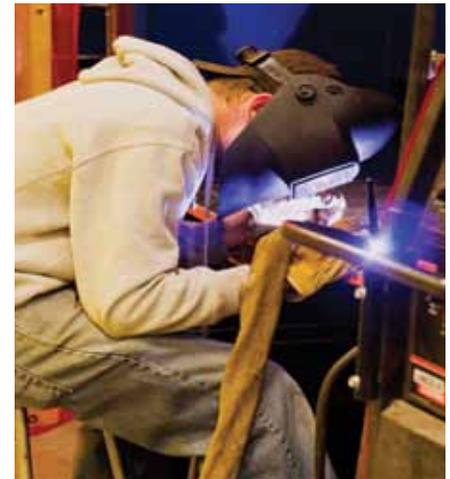
Cater says the distribution centers have diversified, stabilized and regionalized Moberly's economy, attracting workers from 40 miles around with good pay and benefits.

Although Mehaffy puts a priority on employer retention, he's not about to miss a chance to recruit a new company to town. Early in 2009, he landed a call center for Stark Bro's Fulfillment, a mail-order merchandiser based in Louisiana, Mo. The company plans to eventually employ 85.

And next? City Manager Andrew Morris envisions a "new wave of economic development" in retailing. His evidence: a Lowe's that opened in November, promising 120 jobs. No financial inducements were required or even requested.

And beyond that? A startup company, Producers Choice Soy Energy, promises to make up to 5 million gallons of biodiesel fuel annually from 3 million bushels of soybeans bought from local farmers. The city abated 10 years of property taxes for the company and issued \$16 million in bonds to improve roads, traffic signals and storm-water control around its new \$16.5 million plant. The company is to repay the bonds from its tax savings. It also stands to gain \$330,000 in state tax credits if it adds 21 jobs to the handful it began with.

In October, Shapiro Brothers Inc. signed a deal to expand its scrap metal processing business by buying roughly 10 acres from Randolph County Sheltered Industries. The purchase money will help sustain the workshop for the handicapped, which will continue to occupy a building on the site. Shapiro, for its part, expects to add 10 jobs, roughly tripling its Moberly numbers over the next three years.



Top: At Orscheln Products, Kay Nickerson checks lengths of parking brake cables.

Bottom: The Moberly Area Community College offers work-related certificate and associate degree programs, both of which help to keep the work force in the area up to date and employable. An unidentified student in the welding and metals technology degree program hunkers down on a project.



Top: The Orscheln Farm & Home store in Moberly is one of 150 in nine Midwestern states. The stores' parent, Orscheln Industries, is the largest employer in Moberly.

Right: One of the new businesses in town is Producers Choice Soy Energy. The startup promises to make up to 5 million gallons of biodiesel fuel a year from 3 million bushels of soybeans bought from local farmers. The city abated property taxes for 10 years and issued \$16 million in bonds for roads, traffic signals and stormwater control around the new \$16.5 million plant.



Employers like Shapiro Brothers and Producers Choice are small players in a community where the big employers number their workers by the hundreds. Among the biggest are significant, stable and noncommercial enterprises in education, health care and criminal justice.

The Moberly Correctional Center, a men's medium-security prison with about 1,800 inmates about five miles from the center of town, provides "good, steady, reliable income" to its employees, according to Cater.

The Moberly Regional Medical Center in 2009 invested \$700,000 in an expansion of its senior mental-health unit—to 21 beds from 10.

Moberly Public Schools is a major source of jobs and a force for economic development through its technical center. There, high school students learn high-demand trades like welding, drafting, machine tooling, automotive repair and computer-assisted design. Local businesses use the center's students for occasional projects and train employees on its high-tech equipment.

Moberly Area Community College complements the technical center by offering many work-related certificate and associate

degree programs. These college programs are designed to "provide training for individuals in the local area to help them be employable or become more employable and to bring up the level of the work force here, which is a strong factor in job retention," says Greg Mosier, the college's dean of career and technical education.

Separately, the college offers employee assessment and customized training for businesses and counsel for would-be entrepreneurs. Both Dura Automotive and Orscheln Products have used the services of both the college and the center.

Both companies are today adapting their manufacturing methods to new products, which Orscheln Products gained from its expansion and which Dura Automotive was assigned as its corporate parent in Michigan closed other plants. In Mehaffy's ongoing efforts to bind the Moberly plant to Moberly, he recently helped Dura Automotive secure \$25,000 in state money to retrain its remaining 170 employees to do the plant's new work.

Mehaffy also worked with the college to land a state-training grant for Pepco, a maker of laboratory tables and other furniture for high school and college science classrooms. It will use the money to bring its 13 employees up to speed on new manufacturing software.

Pepco moved to the city from a family farm in the countryside, where it began in 1989. President David Patton says the city's initial attractions included faster broadband, more reliable electric power, a larger facility and the city's offer to abate 50 percent of real estate taxes for 10 years.

Mehaffy, who came along as Pepco was settling into its new facilities, linked up early on with Patton, introducing him around, floating him ideas by phone and e-mail and directing him to potentially useful programs and services. Mehaffy continues to keep the small, newcomer business as much in his sights as he does the city's larger, older ones.

His efforts have gained the city a loyal corporate citizen. Pepco is committed "to not only stay in Moberly, but to expand our business as soon as our business and the economy allow," Patton says. 

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