

MSDC played key role in courting new implement dealer

By Marcia Gorrell. The Marshall Democrat-News: May 14, 2013.

Editor's note: At the Tuesday, May 11, Marshall-Saline Development Corporation meeting, Executive Director Bill Riggins announced that Ziegler Ag Equipment was ready to open this week.

Bill Riggins and the team at Marshall-Saline Development Corporation are always on the lookout for opportunities for new businesses to come to the area.

More than a year ago, he was told about Ziegler Ag Equipment, a large agriculture machinery dealer from Minnesota, which had purchased former Dean Machinery stores in Chillicothe and Maryville.

"We worked with them extensively. Basically we worked on it a year," he said. "The first communication we had with them was April 2012."

Another Dean Machinery store in Sedalia was sold to Foley Equipment company, which opted to get out of the agriculture side of sales and sell only construction machinery.

That left a gap of existing agriculture customers, which had purchased AGCO and Lexion agriculture equipment from the Sedalia store.

"(Ziegler) wanted a place they could service that clientele they had built up down there, but they were also looking at a market that would be a viable market to expand," he said.

He said Saline County's status as one of Missouri's premier agriculture areas, and the site of many other top machinery dealers, was a reason they were able to convince Ziegler to choose Marshall.

"That's how we convinced them to come here. Saline County has a very, very good agriculture base," he said. "We talked to them very much about how Saline County has a lot more cropland and machinery-type purchases than what Pettis has or somewhere farther south."

He said, though, they would still be able to service existing customers.

"The regional sales manager thought this was the prime spot. They could also serve the southern market they had, plus, they could also grow this market and expand it quite a bit," he said.

He spent about a year talking to the company and working on locations, something he said is difficult to find in Saline County.

"Yes, there are a few buildings around, but we really don't have anything of any size," he said. "In a way we're fortunate in that we never hit the downturn enough we have a lot vacant property, but at the same token it kind of hurts us now trying to get people in."

After working with the district sales representative and then the company's real estate managers, Ziegler eventually chose the former KCP&L building on Highway 65, which is near other machinery dealers, including AgPower (formerly Deems), Riggins, Marshall Service and Heartland.

"Anytime you get that many suppliers in one spot, it brings a lot more people to town," he said. "A lot of people don't understand, but competition is good, because it brings more people to town and you have more opportunity to sell something."

Because the location is in an Enhanced Enterprise Zone, they were able to obtain tax credits for the company.

"According to your census, if you have a poverty type area and your bringing jobs into that area then they give you a different tax break than they do if you go outside of that area," Riggins said, explaining the Enhanced Enterprise Zone which encompasses part of Marshall.

"Part of the difference in enhanced enterprize zone is if they hire two people and do \$100,000 investments they qualify," he said. "If you're not in that zone, you have to hire a minimum of 20 people and have \$1 million in investments. It makes a big difference."

Ziegler, which will sell new and used ag machinery, has projected they will employ as many as 25 people locally within five years, according to Riggins.

"They are supposed to be adding seven this first year," he said.

Although Ziegler is a good example of bringing a new business to the area, Riggins said much of their work is focusing on local expansions.

"Right now most of our focus is on local businesses already here. Because if you talk to colleagues, it's the old 80-20 rule -- 80 percent of your new employment is going to come from 20 percent of your businesses that are already," he said. "It's a lot easier to help a business that you've already got there and is established to grow than it is to bring a new business in."

He said they have several examples of that working in the area, including expansions at GE in Slater and Cargill in Marshall.

They also are looking for information on possible new opportunities from other businesses and members of the community.

"One of the things we do whenever we're talking to companies that are here, I always ask them, 'Is there somebody that your working with that is a supplier or you're buying through or something that way that you might think might be a possibility for us to take a look at expanding here?' he said. "If somebody doesn't tell me what's going on or I don't hear about it, I don't know everything that is going on out there."

Although they have had several success stories recently, some of the problems with bringing new businesses includes finding affordable housing and finding enough skilled workers.

"We've got a severe housing problem. We don't have affordable housing," he said. "You just can't go out and get 200 jobs unless you have a labor force to fill them and right now our unemployment is so low we've got to be able to grow our labor force."

He said they are working on some of the housing issues, as well as working with the career center and local employers to offer "workforce readiness certificates."

"Basically, that is a testing program that tests students. We're doing 40 to 45 high school students this next month," he explained. "Whenever you come out of that you get a certificate that says bronze, gold, silver and platinum. It tells employers if you have that certificate, they know you're trainable to a certain level."