



2007 COMMUNITY OF THE YEAR
CITY OF ANDERSON

By Tom Schuman

For many years, Anderson enjoyed – and suffered through – an economic roller-coaster ride with General Motors. Industry entrepreneurs and a talented workforce were what brought nearly 25,000 jobs from the world's leading automaker to the city before national and global changes took precedence.

The journey is officially complete with the final GM jobs (directly or through company spinoffs) exiting the community, but many skilled workers remain. A new form of innovation and aggressive diversification efforts, both byproducts of the auto exodus, have Anderson in the positive glow of the spotlight once again.

Chuck Staley, president/CEO of the Flagship Enterprise Center (the hub of much of that new innovation) and a special assistant to the president at Anderson University, says, “We’ve turned from being viewed as ‘last one out, please turn off the lights,’ to a city on the move.”

Mayor Kevin S. Smith, elected in 2003, has focused on infrastructure investments and marketing efforts that were not always needed during the GM heyday. Although much progress has been made, he believes the best is yet to come.

“Anderson has been used almost as the poster child for a post-industrial city that has been left behind. The reputation of Anderson is changing to one of a very desirable community,” he proclaims. “It’s just a matter of marketing to the right people. I see major investment from multi-national corporations for the next couple of years. It’s logical with how much footwork has been done.”

Changing course

Although gone, GM is still indirectly playing a role. A study by the automaker a decade ago recommended that the city strongly consider a business incubator focused on expanding the existing energy and electrical resources. Staley and others worked with the company to seek its assistance as its exodus gained momentum. Funding from the sale of a former GM plant in the city and a grant from the GM Foundation helped pave the way for the Flagship – an emerging success story locally and a state and national model for other incubators and business parks.

“The concept of the Flagship was to try something really different, to have a private, liberal arts university partner with the city,” Staley recalls. “There was going to be a focus on electronic and technology fields, but we weren’t going to turn anyone away.”

Today, the Flagship family includes:

- more than 40 early and growth-stage companies in the Flagship Enterprise Center, taking advantage of client support services and state-of-the-art conference facilities;
- the recently opened Flagship Education Center, which offers a variety of Anderson University and Purdue University classes, including a rigorous 11-month residential MBA program. Participants live on the third floor, take classes on the first floor and apply their abilities with young, growing companies down the hallway in the Enterprise Center;
- the nearby Flagship Business Accelerator, a home for incubator graduates. Altairnano Technologies, lured to the community in 2005 by the presence of talented engineers, will utilize more than half of the facility for its advanced battery production; and
- the Anderson Business Incubator, another city/university partnership that offers business development services to companies locating in the former police station downtown.

The Nestle facility, scheduled to open in 2008, has been the catalyst for additional economic diversity.



Mayor Kevin Smith makes a point to Paul J. Stapleton, a downtown insurance agent and city councilman.



“When you put all these together, we’re right around 190,000 square feet,” Staley comments. “That’s close to Discovery Park (at Purdue University) in size. Our hope is that once companies graduate from the Flagship, they go to the Accelerator or we help them find another location in the city. We mean business.”

Tom Snyder, who retired in late 2005 after a 44-year career with GM and its affiliates and is now the president of Ivy Tech Community College, acknowledges the GM funding that helped get the ball rolling, but says, “It’s the ability and willingness to invest in yourself. We had to bring people together to create the Flagship Enterprise Center, to decide where to put it, how much to add on to it. We’ve got the location, the collaboration, the infrastructure. This is the place where we should be.”

Attracting the very best

Location and infrastructure were two of the factors that helped attract the largest newcomer to the community. Nestle Corp., the world’s leading food company, is constructing a 900,000-square-foot manufacturing and distribution center in the Flagship Business Park. The \$370 million investment and 300 high-paying jobs will lead to production of Nesquik Ready-to-Drink flavored milk and Coffee-Mate creamer when the facility opens in the spring of 2008.

Michael Strong, factory manager of the Anderson plant, says Nestle looked at hundreds of potential sites to help meet growing consumer demands.

In an e-mail exchange, he commented, “Anderson is the total package for us. Its centralized location, exceptional and established transportation infrastructure and talented workforce will prove to be a winning combination for years to come.”

The benefits extend beyond the obvious investment and job creation. Staley notes driving back to Anderson from Indianapolis this summer and seeing five construction cranes in the air at Nestle and the Flagship. Patty Kuhn, executive officer of the Anderson/Madison County Association of REALTORS, reports the “phones started ringing” as soon as the Nestle announcement was made.

Sales 101

Smith has utilized the real estate mantra of “location, location, location” since taking office, preaching the advantages of Interstate 69 and the proximity to fast-growing Hamilton County and the Indianapolis market.

“One key has been our ability as a community to respond to leads for new business. You can’t act upon what you don’t know,” Smith contends. “We don’t wait for someone to hand us information. We go out and seek it. I’m hearing more frequently that Anderson is seen as the most aggressive city in the state right now in the search for jobs.”

The higher education opportunities – at Anderson and Purdue universities, as well as Ivy Tech – and skilled labor are additional selling points. The infrastructure component is comprehensive:

Education and business come together at the original Flagship Enterprise Center, the new Flagship Education Center (left) and the nearby Flagship Business Accelerator.





Mayor Smith receives an update from George Vinson, executive director of the Anderson Symphony Orchestra, outside the historic Paramount Theatre.

enhanced roads, a railroad spur and sewer improvements in the Flagship-Nestle area; a broadband network that encompasses the city; and a sprucing up of downtown and neighborhoods, including the Martin Luther King Jr. corridor that connects the central part of the city to the Flagship and the interstate.

“The taxpayer should expect to receive a reasonable return on investment of their tax dollars,” the mayor states. “When you go to a car lot, you don’t want to buy an old, rusty car. When you have streets filled with potholes, that makes the community appear not willing to invest in itself.

“We completed a fiber optic circle of the city in 2005 and have been building out on that since, making it available to the Flagship. It’s a necessity for certain types of businesses,” he continues. “We’re going to have WiFi hot spots around the city for free consumer use.

“The long-range goal for the Martin Luther King project is to make it the direct route to downtown. It’s the closest exit to Indianapolis. Business has to flow in and out of Anderson, which I see as the northern ring of the Indianapolis metropolitan area.”

An average of \$7 million per year from 2003-2006 was dedicated to public infrastructure improvements. At the same time, Smith was able to decrease the city portion of the property tax rate for two consecutive years and hold it steady in 2007.

Seeing and believing

Nestle celebrated its commitment to Anderson with a downtown festival that attracted a crowd that was more than half of the city’s nearly 60,000 population.

Strong comments: “Since arriving in Anderson, we have had an amazing response from the community. People have been warm and welcoming with a genuine enthusiasm for what we are going to do here. We have not been here long and our project is not yet complete; however, we already feel like we are part of this great community.”

And, community leaders point out, people are starting to believe.

“It’s been driven by a broad coalition of leaders – Mayor Smith and Dr. (James) Edwards (president of Anderson University). Both saw the need for change,” Snyder claims. “The average citizen

started to realize it when there were 35,000 people downtown for Nestle Day. That sent a message to the broader-based community. You don’t hear people try to revisit the past as often.”

Jay Ricker is president of Ricker Oil Co. and its Anderson-headquartered chain of convenience stores and related businesses. “Everybody is pulling together and doing what is best for the community. The looks of the city have improved. We have a lot of people with great ideas. We’re getting an angel fund put together for entrepreneurs who need some seed money. That never would have happened here before.”

Kuhn describes how the Business Community Council – comprised of her organization, the Chamber of Commerce for Anderson & Madison County, the Corporation for Economic Development and the Anderson/Madison County Visitor and Convention Bureau – came together five years ago.

“One of our main initiatives was to create a better image for Madison County,” she relates. “Sometimes we’re our own worst enemies. We needed to change our thinking.”

The organizations conducted focus groups and listened to residents. Observations were combined with marketing data to form the Madison County “True Character” image brand. Regional marketing is under way, with businesses and other organizations invited to use the logo and message.

Smith puts it simply: “There is recognition today that the

The Anderson Speedway is a staple for short track racing fans. Oktoberfest brings artists and many more downtown in late September.





Anderson University was originally known as the Anderson Bible School in 1917, became Anderson College in 1925 and adopted the Anderson University name in 1988.

past is the past. What the future holds is Anderson as a diverse business community.”

Making the list

Anderson entered new territory in April of this year with a ranking in Forbes magazine’s list of the 100 best small places for business and careers. The city fared best in the culture and leisure category. Here are some of the reasons why:

- Hoosier Park, the state’s first pari-mutuel horse racing facility when it opened in 1994, is expanding due to 2007 legislative action. A \$30 million investment will bring 2,000 slot machines to a new building connected to the existing structure
- The restored Paramount Theatre is a downtown landmark, hosting a variety of cultural events. It is adjacent to the Town Center Park, a community gathering point in the heart of the city
- The Anderson Center for the Fine Arts, the Anderson Symphony Orchestra, a strong parks and trails system, Anderson Speedway and more contribute to entertainment and quality of life that are so important to today’s employees and employers

Anderson University has assumed a leadership role on many fronts. It has become a leading economic development partner. The Falls School of Business has earned top national rankings from its peers. SIFE (Students in Free Enterprise) and Anderson Media Group provide students with hands-on experience, while delivering needed services to the Flagship start-ups.

Purdue has enhanced its longstanding presence in the community with its activity at the Flagship. Ivy Tech, among other workforce initiatives, was called upon to specifically assist in the retraining of former automobile employees for Northstar Aerospace – 40 new jobs and an \$8 million investment in 2006.

Center of the city

Ricker moved his company headquarters downtown earlier this decade. Continental Design & Engineering, a homegrown success story, relocated from the Flagship to downtown this year to accommodate its expansion. The focus remains on making the central part of the city more attractive for residents and visitors.

“We have 3,800 people who come into work in downtown every day,” Smith submits. “We continue to work on issues such as parking and turning one-way streets into two-way.”

Ricker believes it is important that downtown serves as more than an area for government offices and support services. “Our people go out and take walks on their break. They go downtown to eat. It’s great to see downtown invigorated.”

Making progress

Today’s global business environment is complicated. All of the pieces of the puzzle in Anderson, however, are beginning to fit together. Smith has relentlessly pursued international investment – paying off in Nestle and Canadian-based Mancor, a \$10 million investment with 80 manufacturing jobs in 2006.

Two Israeli companies call the community home. The mayor sees outreach to China as a venture with potential long-term benefits.

Snyder, who started operations around the world for General Motors during his automotive career, says, “Nestle came as a result of the international efforts. If they know you’re out there meeting with peer companies, that is a big advantage. Those companies want to come where they can get the infrastructure, the education, the advanced master’s degrees.”

Staley confirms the importance of the Flagship Education Center as part of the Nestle negotiations. The company is already making extensive use of the conferencing amenities at the Flagship, available as a result of the broadband deployment, to make connections around the world.

Image is everything, Staley observes, and the viewpoint from all corners is a bright one. “I sense that we in Anderson are starting to believe the good news. It’s changing, and we’re believing in ourselves.”

In late September, Fortune 500 company Affiliated Computer Services announced the addition of as many as 500 new call center jobs. Governor Mitch Daniels participated in the announcement, one of several recent trips to Anderson, after riding his motorcycle to town.

Smith says past visits from governors were few and far between. The mayor looks forward to continued short treks up I-69 from state officials for more business and community celebrations.

Community of the Year Winners

- 2006: Evansville
- 2005: LaPorte
- 2004: Muncie
- 2003: Warsaw
- 2002: Marion
- 2001: Greater Lafayette
- 2000: Jeffersonville
- 1999: Fort Wayne
- 1998: Rochester
- 1997: Batesville
- 1996: Elkhart
- 1995: Indianapolis
- 1994: Kendallville
- 1993: St. Joseph County
- 1992: Columbus
- 1991: Muncie
- 1990: Bluffton