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Grede starts \$17.5M expansion in St. Cloud



Kevin Allenspach, kallenspach@stcloudtimes.com 4:02 p.m. CST January 15, 2015

14

2

1

1



(Photo: Kimm Anderson, kanderson@stcloudtimes.com)

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Grede's St. Cloud foundry has been the plant of the year in two of the past three years among the 14 foundries and three machining operations in North America that comprise Grede Holdings.

As Grede's general manager in St. Cloud, John Haas knew his operation was exceptional. On Thursday, the corporation confirmed that by announcing an investment of more than \$17.5 million in a 32,000-square-foot expansion to an existing 320,000-square-foot facility.

Crews began pouring concrete for the new structure, which will house a third mold line, expected to be operational this fall. It will expand capacity for a factory that makes ductile iron castings for parts used in trucks and heavy-duty vehicles.

Haas said the expansion will add about 30 jobs to the operation, which currently employs 330 people. And those workers were the key to landing the project from among other Grede facilities in Wisconsin and Mexico that were considered.

"This plant was chosen for a couple of reasons," said Haas, who has worked in the facility since before Grede bought it from ME International in 1995. "First, the construction can go on without interruption to existing operations. We're adding it on the back side of the plant, so we'll be able to keep running along while it's finished. But it's really about the stellar group of employees we have. We lost out (in 2013) by one point on Plant of the Year and in December we found out we got it back again. We're tops in Grede from a safety standpoint, our quality is the best and our productivity is the best. That's why we were picked."

The contractor for the project at 5200 Foundry Circle is Strack Construction of St. Cloud. The engineering and architectural firm is Excel Engineering in Fond du Lac, Wisconsin.

Grede has operated in St. Cloud for more than 20 years. During the recession, employment dwindled from 400 to about 100. However, by 2013, that number had bounced back to about 320.

The new line will augment two existing melting and molding lines that operate around the clock five or six days a week. They make parts weighing between 5 and 400 pounds. Some of those parts wind up in common vehicles all over the United States, including the Dodge Ram 1500 and the Chevrolet Silverado.

"The machine we're putting in will produce 385 molds per hour," Haas said. "That's faster than the others, which make about 300 molds an hour."

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The 30 additional jobs will be across the board, from line workers to engineers, and won't be tied to a salary range, Haas said.

The St. Cloud foundry melts up to 200,000 tons of metal each year and produces in excess of 85,000 tons of casting annually.

Haas said some automotive parts are being converted to aluminum, but many will remain made from ductile iron and the expansion validates Grede's belief that its customers are in growth mode.

"We get a lot of our scrap metal from the Minneapolis area, so we're in a good position," Haas said. "Our only drawback is we're so far from Detroit. But there's nothing we can do about that and we're better and closer than a lot of other places. Now our task is to take this investment and make it pay."

Greater St. Cloud Development Corp. President Patti Gartland said her organization assisted in the process for Grede to obtain permission from the Minnesota Pollution Control Agency for the expansion. The GSDC also has facilitated paperwork for Grede to seek funding through the Minnesota Job Skills Partnership program, administered by the Minnesota Department of Employment and Economic Development. Assistance from that program has not been finalized, according to Gartland, but it won't affect the project going forward.

"Coming off the recession, this shows we're at a period of re-growth in the manufacturing sector," Gartland said. "And this may not be the last project involving Grede, either."

Gartland said the \$17.5 million investment is the biggest for an expansion of an existing private-sector business in the St. Cloud area since the GSDC was formed in 2011. Grede, which last year became an investor in the GSDC, also has been working with the city of St. Cloud and the state's Minnesota Business First Stop program.

"I'm convinced we're well-positioned for more of this sort of activity in the future," said Gartland, who began working with Haas on the deal last June. "We're trying to be proactive and get ahead of the issues that would stand in the way of something like this. The best part is this was an opportunity for us to get all the partners to the table — the company, the city, DEED, the MPCA. And everyone was immediately responsive and at the plant for meetings to see how we could work together. This is what we're here to do — bring all those sides together."

Grede Holdings, based in Southfield, Michigan, has 4,600 employees. For more, visit www.grede.com.

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