

## Case Studies

### Hydro Aluminum Metal Products

*"Our customers find the location convenient to them and feel a sense of security with the plant so close to their locations" said Frederic Rouyer, Managing Director.*

<b>Product</b>	Aluminum: Extrusion Logs & Billets from Post-Industrial Aluminum Scrap
<b>Located to Commerce</b>	2001 - Production began 2002
<b>Employees</b>	54
<b>Capital Investment</b>	\$37 Million; additional investment of \$1 million in 2004
<b>Managing Director</b>	Tom Etzkorn

**Background Information** Hydro Aluminum Metal Products-North America has been in the US market since 1986, but expanded its presence in 2000 with its first remelt facility in Kentucky. Their state of the art technology, proven in Europe, produces prime quality aluminum billet from post-industrial scrap. Hydro's next step was to develop the Texas market. This required Hydro to locate a second plant in the vicinity of Northeast Texas or Southern Oklahoma, which would provide convenient market access to customers located within or close to Dallas. The site search began the summer of 2000 and intensified in early 2001. After considering a number of communities, the list was narrowed to Commerce and a town in Southern Oklahoma. Norsk Hydro, parent company, headquartered in Oslo, Norway is one of the largest 250 companies in the world and third largest aluminum company.

**Obstacles/Challenges to Success** Company officials liked Commerce because of the close proximity to the Dallas market, but a number of other issues affected the site location decision. Commerce had a number of obstacles to overcome, including availability of industrial land with infrastructure in place; utility main extensions; capacity and cost of gas & electricity; and incentives at the state and local level. Through creativity, hundreds of telephone calls, personal contacts, dedicated people, visits to Kentucky and tough negotiations, Hydro realized the entire community wanted them here. During a groundbreaking ceremony held in the fall of 2001, Jim

Walters, of Hydro Aluminum Metal Products, commented, "Hydro, in coming to Commerce Texas, has been overwhelmed by the response of the local people and their dedication to ensure, we as new comers to the community, were welcome."

**Assistance Provided** Knowing the uphill battle facing a small rural community such as Commerce, the CEDC and city made a strong commitment to not take "no" for an answer and systematically address each and every objection or perceived weakness to convince Hydro that Commerce was the ideal location for its rapid expansion in the U.S.

- **Incentives**

- **35 Acres** in 150 acre industrial park, surveys, environmental assessment
- **Infrastructure development** - water, sewer, street using Economic Development Administration infrastructure grant and CEDC funds
- **High pressure gas line** extended 3 miles - 50% of cost
- **Non-Annexation Agreement** with City
- **Tax Abatement** - 10 year graduated from county & hospital district
- **Enterprise Zone Project**
- **Exemption on pollution control equipment** - state approval
- **Electric Infrastructure Upgrade** - electric company

Hydro Aluminum Metal Products-North America made the right decision to build a plant in Commerce, Texas. The plant came on line two weeks ahead of schedule. Start-up has been the most successful in the company's worldwide operations, thanks to the hard work of the local management team, production staff and "dream team" from other plants that provided on the job training. "Hydro Aluminum Metal Products - North America is pleased with the Commerce location. The people in the local community have been extremely supportive and the area has supported the necessary labor base for us to succeed," said Jim Walters VP Sales & Marketing. "Our customers find the location convenient to them and feel a sense of security with the plant so close to their locations" said Frederic Rouyer, Managing Director.

Become another successful company in Commerce by taking the first step. Visit our website [www.commercetxedc.com](http://www.commercetxedc.com) or call 903.886.1121 to get in touch with Bonnie Hunter, Executive Director, and be part of a community that will do what it takes to make your site location search easier.