

# Kaiser Aluminum's Kalamazoo plant being built for efficiency gains

by Alex Nixon | Kalamazoo Gazette

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John A. Lacko | Special to the Gazette Kaiser Aluminum President and CEO Jack A. Hockema (second from right), answers questions in Kalamazoo on Wednesday with, from left, Jason Harloff, Kalamazoo General Manager; Martin Carter, VP and General Manager Common Alloy Products and Keith A. Harvey, VP Sales and Marketing for Distribution and Aerospace at the companies future facilities in the Midlink Business Park.

**COMSTOCK TOWNSHIP, MI --** Kaiser Aluminum's Kalamazoo operation is key to the company's

future growth, Kaiser officials said Wednesday.

When completed in 2010, the 464,000-square-foot space in the Midlink Business Park is expected to be Kaiser's most efficient, lowest-cost producer of "general engineering" aluminum bars and rods, said Jack Hockema, Kaiser chairman, president and chief executive officer.

"This is a critical strategic project for us," Hockema said during a tour of the massive, nearly bare space Wednesday. "It's critical to our organic growth initiatives.

"We expect it will be the lowest cost producer (in the nation)," Hockema said.

Kaiser began construction last week that will outfit about a quarter of the former General Motors Corp. stamping plant in Comstock Township with aluminum melting and casting equipment, two press lines, 10 truck docks and new offices, among other work.

In February, state officials announced they had awarded \$3.7 million in tax incentives to Kaiser Aluminum in exchange for its \$80 million investment and 300 new jobs.

On Wednesday, Hockema said Kaiser wouldn't discuss what it's spending to get the Kalamazoo plant up and running, but figures published by the Gazette were "in the ballpark." Hockema also declined to discuss what the plant's annual production capacity is expected to be in 2010.

The plant will take mostly scrap aluminum and press it into rods and bars, products that are used by machine shops and others to make parts such as engine manifolds, electrical connectors and machinery components.

Kaiser chose Kalamazoo to set up its newest plant because, "logistically, it's tremendous for us," said Martin Carter, Kaiser vice president and general manager of common alloy products. None of its competitors have operations in the Midwest, and Kalamazoo's proximity to Michigan's automotive suppliers and Chicago -- the country's largest market for Kaiser's products -- is key to keeping shipping costs low.

Hiring has started for the 150 to 200 workers Kaiser expects to need by the end of next year, said Jason Harloff, who will be the plant's general manager once construction is completed.

While manufacturers have increasingly looked overseas for low-cost parts, Kaiser intends to out-compete foreign companies with efficient, low-cost and high-quality production in Kalamazoo, said Keith Harvey, vice president of sales and marketing.

"This place is being built to take it on," Harvey said of foreign competition.