



Good news for Halstead

Company breaks ground on \$7M plant

By Tim Huber
Newton Kansan

HALSTEAD — The shovels plunging into earth on the northwest side of Halstead Wednesday served a two-fold symbolic purpose.

They effectively broke ground for a new tenant in the city's industrial park, but they also represented a much-welcomed shot in the arm for the city.

SemMaterials, one of the country's largest producers of asphalt additives and products, will begin construction next week on 11 acres in Halstead's industrial park for its first polymer modified asphalt production facility in the state (the polymer makes asphalt more flexible and longer lasting). SemMaterials already has other types of production facilities in Dodge City, Salina and El Dorado.

SemMaterials vice president of commercial development, Jerry Parsons, said the Halstead location was of importance to the company, which has polymer plants in Grand Island, Neb., and Muskogee, Okla., but lacks one in Kansas.

"The location is very central to our market," he said. "... It fills a freight void, if you will."

Halstead's industrial park also had more to offer than other locations. Halstead city administrator J.R. Hatfield said local highway and rail access were key to the location decision.

About 600 railcars will deliver raw materials each year to the \$7 million facility from October to March, soon to be home to its own dual-line rail spur capable of servicing 20 cars at a time. That product will then travel to construction sites across the state by semi the rest of the year, to the tune of about 1,500 trucks annually — to the north is U.S. 50 and to the south is K-96.

"They have access to major thoroughfares either way they go," Hatfield said.

Besides an increase in truck and rail traffic, there will also be an increase in jobs. SemMaterials officials said the plant will begin with two employees transferred in before hiring an additional five to 10 employees locally.

Hatfield said the plant's impact on the city of Halstead likely will be even bigger than the employee and vehicle projections currently swirling the town.

“It’s our first big industry that’s gone into our industrial park,” he said. “We hope that has a domino effect on building in that industrial park.”

Because the city buys gas for utilities in bulk, a significant increase in fuel usage will give the city greater buying power. He also said more trucks equal more truck drivers — a population not to be ignored.

“It could be good for our restaurants, our convenience stores,” Hatfield said. “I’d like to see somebody look at a truck stop, tire repair, diesel repair.”

The town can’t help but look to the future with optimism. After Halstead Hospital and the Hertzler Clinic closed, things may have looked dim. But SemMaterials’ groundbreaking is only one part of a parade of ribbon-cuttings on Main Street and other glimmers of hope throughout the community.

“This is the start of what will be a fantastic year in 2006,” Halstead Mayor Bill Ewert said.

Ewert said just this week he, Hatfield and members of the Harvey County Economic Development Council met with an individual interested in purchasing the hospital.

“The man came with an open mind and wanted to hear,” Ewert said. “His preference is to keep it some kind of medical facility, albeit a specialty.”

The interested suitor has 60 days to execute on his interest and Ewert said he’s sure the interested party “will be diligent.” Ewert also said the new potential owners would be interested in leasing partial tenant Valley Hope space it currently occupies, something city officials hoped would occur.

“We had our fingers crossed on that,” he said. “They’ve been a very good corporate partner in Halstead.”

SemMaterials: What it is

A division of parent company SemGroup, SemMaterials produces various types of asphalts and asphalt components to create longer-lasting paving surfaces. With a presence both in the United States and Mexico, it utilizes rail, barge, ship and truck delivery methods.

The new facility in Halstead will seek to produce polymer modified asphalt components to Kansas construction sites, reducing transportation distances from preexisting plants in Oklahoma and Nebraska. In fact, the asphalt additive produced in Halstead will be required in all state and federal projects within the next couple years.

The numbers

80,000 — storage capacity (in barrels) of each of the three tanks to be located at the Halstead site

62 — SemMaterials' asphalt terminals (49 in the U.S. and 13 in Mexico)

6,700,000 — barrels of total storage

65 — worldwide patents and 10 pending patents

9 — SemGroup's rank on Forbes magazine's 2005 list of largest private companies, based on \$12.57 billion in total revenue in 2004

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