

California manufacturing firm relocates to Elgin

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by A.J. Mistretta ABJ Staff

A company that manufactures small rubber components for everything from cars to dishwashers is setting up shop in Elgin.

Accurate Elastomer Products is relocating from San Diego, where the company has flourished for more than five decades. AEP will hire at least 50 employees in Elgin, a community about 20 miles east of Austin in Bastrop County.

AEP initially contacted the Greater Austin Chamber of Commerce in January. The company had been looking for potential relocation sites since early 2005. The chamber identified sites across the region that fit the firm's needs. Elgin beat out other Texas cities, including San Antonio, El Paso and McAllen.

The company will occupy a 41,000-square-foot building in the Elgin Business Park at the intersection of US Hwy. 290 and Swenson Boulevard.

A hospital furniture manufacturer left the five-year-old building in April 2005 after declaring bankruptcy.

The higher costs of doing business in California are what drove the company to explore relocation, says AEP Controller Erik Fehrenbach.

"With increased pressure from competition overseas, this change ensures the survivability of the company by lowering the overhead costs that affect our bottom line," Fehrenbach says.

The company expects to save \$100,000 annually in workman's compensation costs and another \$30,000 in utility expenses, Fehrenbach adds.

The move also puts the company in a better geographic position to serve its customer base.

AEP manufactures a line of rubber goods used by customers in the automotive, aerospace, defense and household appliance industries. The company recorded \$6 million in sales last year, Fehrenbach says.

The City of Elgin and Bastrop County collectively provided AEP with \$15,000 worth of relocation incentives in the form of property tax reimbursements on equipment. The tax breaks will be spread over a 10-year period.

"This reinforces that Elgin is a good place to do business," says Elgin Economic Development Director Amy Miller. Miller says Elgin Economic Development worked with the Bastrop County Workforce Center and other regional groups to answer the company's labor pool questions. "We needed to prove that the area could support their employment needs," she says.

Elgin is already home to a number of manufacturing companies, including Elgin Butler Brick, Acme Brick, I&R Machining and two major sausage makers -- Meyer's Sausage Company and Southside Market & Bar-B-Q.

The City called on top executives with those companies to speak with AEP executives about employee loyalty among area workers.

The new building offers AEP some elbow room and space for expansion, Fehrenbach says. The company is currently negotiating for new business that could create another shift at the plant and increase the payroll by another eight employees.

AEP is already doing some light manufacturing at the new plant and expects to reach full production in Elgin by Sept. 1.

Accurate Elastomer Products:

Top executive: Stewart Schofe

Employees: 50+

2005 Revenue: \$6 million

Phone: (512) 285-4585

Web site: www accuratela.com