



Economic Development Group of Wabash County

June 2010

Dedicated to Creating Economic and Employment Opportunities for the People and Businesses of Wabash County.

Energy Shot Maker Gets A “Boost”

Bill Konyha, president and CEO of the Economic Development Group of Wabash County announced that Living Essentials is more than tripling the size of its 200,000-square-foot national distribution center and warehouse in the Wabash North Industrial Park. Living Essentials, which also has a production facility and its research and development center at 200 Bond St., is the maker of 5-Hour Energy, the nation’s leading energy shot brand. The company headquarters remain in Farmington Hills, Mich.

Mitch Roob, Indiana Secretary of Commerce, was on hand for the announcement of the \$17 million project, along with company officials, city and county officials and EDG board members. “Living Essentials is a great fit for Wabash County, as it is an ideal match with our economic development plan,” Konyha said. “The company is engaged in advanced manufacturing. We consider their product to be food processing and their national distribution center constitutes our first venture into logistics and distribution. Therefore, it fits with our plan on multiple levels.” Konyha added, “The impact of Major Moves is being felt in Wabash County and throughout the region. The Hoosier Heartland Highway, funded by Major Moves is under construction and is one of the reasons that Wabash was selected as the national distribution center.”



EDG Board President Mr. Skip Daughtry welcomes a full house. There were approximately 70 people in attendance.

The 450,000-square-foot expansion project at the site of the national distribution center, located at the west end of Wedcor Avenue, will increase Living Essentials’ physical presence in Wabash to 800,000 square feet. The investment in the community, struggling to overcome the devastating effects of the downturn in the national, state and local economy, will result in an increase from \$2.6 million, when the company moved to Wabash in 2007 to more than \$30 million.

Konyha reported company officials estimate the new capital improvements will involve a \$10 million investment on the building and a \$7 million investment in equipment. Six new bottling lines will eventually be installed in the addition, giving the distributor of 5-Hour Energy 12 lines. He also said officials expect to hire 60 employees at the new production facility and 5-10 people at the enlarged distribution center.

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EDG Board of Directors

Skip Daughtry, Chair

Ken Perkins, Vice Chair

Dan Hannaford, Secretary

Ralph Naragon, Treasurer

Robert Vanlandingham

Jeff Kellam

Rob Pearson

Ron Kerby

Brian Haupert

Actions Of The Board

EDG Board of Directors Meetings was held on June 11, 2010 in the EDG Office at 7:30 am. During this meeting May’s financial statements, loan portfolio, website data sheet, membership sheet, minutes and President’s Report were presented and approved by the board. There was one New Business Item (NBI).

NBI 06-01-10 Authorize the staff to refinance the working capital loan made to Well Grounded, LLC, dba Kenapoco Mocha Coffee and Pastry Shop. The Staff Recommendation was to authorize the staff to refinance the \$16,737.57 working capital loan (increasing at \$1.49 per day) with an amortization schedule not longer than 20 years and with a 5 year term. A motion was made and NBI 06-10-01 was passed unanimously.

The meeting was adjourned at 8:45 am.

Energy Shot Maker Gets A “Boost” (cont.)



EDG President/CEO Mr. Bill Konyha spoke about Living Essentials dedication to Wabash County.

When the company commenced operations in Wabash in 2007 they promised to hire 36 employees. At the beginning of 2009 that figure stood at 99. Today, the company reports around 250 employees, 140 full-time and in excess of 100 temporary workers. According to Controller Jim Haller, Living Essentials currently has two 10-hour shifts working Monday through Thursday and a weekend shift working Friday through Sunday. The company is currently turning out about 1.5 million bottles per day and hopes to get to 2 million a day at the Bond Street facility.

Around the first of this year, Living Essentials began distributing the 5-Hour Energy to outlets in England, Ireland and Mexico, according to Haller, and is planning to continue expanding its global presence. “Sales have tripled since we moved to Wabash,” he stated. Site work has already begun at 500 Wedcor Ave. and the first phase of the project, the 250,000- square-foot production facility, is expected to be completed by the beginning of November. Officials hope the first two bottling lines will be up and running by the first of next year. The second phase is a 200,000-square-foot addition to the distribution center. It will be on the west side of the existing building.

“The continued growth of Living Essentials adds new assessed value to our property tax base and it generates significant local income taxes which reduce our property taxes,” Konyha added. “Living Essentials has been a great corporate neighbor,” Wabash Mayor Bob Vanlandingham said. “The cooperative relationship with the city makes it a true partnership. I am excited they are growing and doing so here in Wabash. I am also proud to have a company with such an international impact originating out of Wabash,” the mayor added. “This should send a message to other major companies that Wabash is a place where they can grow and be successful.”

“Living Essentials is one of the leading importers of capital as sales of its products now generate revenue on a global basis,” Konyha said. “It brings new money into Wabash County and the region with a multiplier effect that reaches well beyond the boundaries of Wabash County. Living Essentials is a relatively new entrepreneurial enterprise. These new entrepreneurs, which include Visionary Enterprises, POET, Novae Corp., Cinergy MetroNet and others, join with our established entrepreneurs as we build a 21st Century knowledge-based economy. We at Living Essentials are pleased to be located in Wabash and appreciate the welcoming attitude of the city,” Vice President Ed Snyder said. “There is a good pool of workers from which to draw our workforce. City officials have always been very helpful and supportive, and Bill Konyha of EDG has also been a tremendous asset for our company and has helped support us in every expansion.”



Living Essentials Vice President, Mr. Ed Snyder

“We are excited to have this burst of economic activity,” said Barry Eppley, president of the Wabash County Commissioners. “We are glad that Living Essentials has chosen to expand in Wabash, and (that it) recognizes many of the positives the community has to offer. It’s nice to see a glimpse of positive news,” he added. “We are bombarded daily by the news of how bad things are. It’s nice to see that a company can grow in the midst of such hard times.”



Indiana Secretary of Commerce, Mr. Mitch Roob addresses the crowd.

“We at the Economic Development Group of Wabash County were very excited when Living Essentials first decided to bring a part of its operation to Wabash,” Skip Daughtry, chairman of the EDG board, said. “We continue to applaud their rapid growth in sales, which has brought new manufacturing and warehousing, along with the additional jobs, to our county. I can’t say enough about their success and what it means to have them as a part of our community. We look forward to their continued success.”

5-Hour Energy, now in seven different flavors, is a two-ounce energy shot that provides hours of energy with no sugar crash or jitters through a blend of B vitamins and amino acids. Containing caffeine comparable to a cup of the leading premium coffee, there’s zero sugar, zero net carbs, zero herbal stimulants and only four calories in each two-ounce shot. It was introduced in 2004. The Decaf 5-Hour Energy contains only as much caffeine as a half cup of decaffeinated coffee, and no Niacin. The company also offers an Extra Strength 5-Hour Energy which has as much caffeine as 12 ounces of premium coffee. 5-Hour Energy also is a sponsor for the Rusty Wallace Racing Team in NASCAR, with Rusty’s son, Steve, driving car No.66.

President's Report June 2010



William S. Konyha
President

These items were reported on by the President:

- **Cinergy MetroNet:** The Economic Redevelopment Commission conducted the required public hearing and then considered and passed the Confirming Resolution. A schedule has been developed that leads to bond closing on July 13th. EDG earns a \$30,000 fee which will be paid from the proceeds at closing. The President is currently negotiating the bond terms which will include an interest rate of 5%-6% and a term of no longer than 20 years.
- **Novae Corp:** The President participated in the public hearing for the CDBG Disaster Relief (DR2) funds that were secured for the Novae Corp. project. They were awarded to the County Commissioners to be regranted to Novae from the Indiana Office of Community and Rural Affairs (OCRA). The grant amount, \$500,000 at the rate of \$10,000 per job comes with a stipulations that 51% of new jobs or 26 in this case must go to low and moderate income persons. The low-mod rate in Wabash County is \$42,000 for a family of 4 and with unemployment from 10.5% -14.6% filling 26 of 50 new jobs over an 18 months should not prove difficult. What is a challenge is that prospective employees may not be asked about their household income prior to hiring them. The penalty for failing to fill the job creation goals is forfeiture of the grant.
- **Reynolds Oil:** Wants to purchase up to two acres of ground in the Industrial Park for propane storage. Doug Lehman, the city attorney, believes that the amendment to the covenant will need to be done for this to happen but thinks it should be easy.
- **Fund Raising:** The President met with Wells Fargo and they have assured us that they will be renewing their membership and are contemplating a pledge beyond membership. NIPSCO also informed us that they will be donating a total of \$3,000 to EDG to match what Duke Energy has already given us. The President anticipates Cinergy MetroNet's membership dues in the near future. The President continues to work with our local Wal-Mart in hopes of receiving funds from them as well as a membership. EDG has currently raised pledges and donations for more than half the budget shortfall. The President and his staff continues to work hard to fill the remaining half.