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Created 01/05/2011 - 5:22pm

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Newton to deliver incentives in exchange for \$14.2 million expansion project, job creation

Saarstedt investment: \$14.2 million

Newton incentive grants: \$228K

Incentive amount per job created: \$11,418 or \$11K+

During the next five years, Newton will provide up to \$228,366 in economic grant incentives to Saarstedt Inc., as the supplier of medical instruments and disposables plans to create 20 new jobs.

"Saarstedt is one of our most valuable corporate citizens," said Newton Mayor Robert Mullinax. "Hopefully this will be a boost for us for the coming year."

Construction is already well underway on \$14.2 million project that will expand Saarstedt's Newton facility with a 50,000 square-foot addition.

The expansion will provide expanded warehouse and production space and lead to the creation of 20 jobs, according to Bruce Hendel, Saarstedt vice president of administration.

"Saarstedt is proud to make a significant additional investment here," Hendel said during Tuesday's Newton City Council meeting. "This venture will allow us to improve efficiencies and increase capacity."

Saarstedt is a worldwide producer and supplier of equipment and consumables used in the science and research fields. Headquartered in Germany, the company employs a worldwide workforce of 2,500, according to its company website.

At the company's U.S. facility in Newton, the payroll includes 205 full-time employees.

Hendel said the Newton expansion project is expected to be complete by the fourth quarter of 2011, and by the end of 2013, the company will add 20 additional full-time jobs. Hendel also said that once the expansion project is completed, Saarstedt plans to renovate the existing production facility located on St. James Church Road.

For both the expansion and future renovation projects, Hendel said Saarstedt will look to local companies.

Conover-based Matthews Construction is serving as the general contractor and that construction company is using many local sub-contractors, he said. Likewise, Newton-based architecture firm Winstead Architecture is completing building design, while Hendel said other local companies are fulfilling other property and equipment needs.

"We are proud to be able to positively impact the local community," he said.

In exchange for the \$14.2 million investment, the city of Newton will provide a maximum of \$228,336 in economic incentive grants during the next five years.

Newton Assistant City Manager Glenn Pattishall said those grants equal "67 percent of net new taxes paid as a result of the expansion."

Currently the Saarstedt property is valued at \$11,950,932. When the expansion is complete, the anticipated property tax value of the facility will climb to more than \$26.1 million, according to performance agreements approved by Newton City Council on Tuesday. Those agreements cap the total amount of all grants at \$228,336.

Meanwhile the city will also provide new, expanded electric service for the facility's larger warehouse and production facility. Newton will also relocate a stand-by electric generator at to Saarstedt site, according to Pattishall, but cost of relocating that generator — about \$75,000 — will be subtracted from grant allocations over the next five years.

"On behalf of Saarstedt, we would like to thank the entire Newton City Council and others we have worked extensively with on this project," Hendel said. "We sincerely appreciate the incentives provided by Newton."

Mullinax described Saarstedt and its Newton facility as "world-class."

"The citizens of this county need to understand what is going on at Saarstedt," he said. "We are pleased to continue to do business with you."

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Newton, N.C.

O-N-E Publisher

Observer News Enterprise

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