

California company chooses SLC -- twice

Business » Specialized Bicycle Components expands.

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Specialized Bicycle Components' decision to keep its western distribution center in Salt Lake City is the kind of story state economic development officials love to tout.

The California company opened the facility on Salt Lake City's west side in 1999, liking the location for its relatively inexpensive square footage, its proximity to two Interstate highways and an international airport, and the character of the workforce.

As Specialized's 10-year lease neared its end, the company took a second look at the decision, a review affected by the economic downturn.

Its conclusion was to move -- not out of Salt Lake City, but to a much larger building.

The 250,000-square-foot distribution center at 1475 S. 5070 West was dedicated last month in a ceremony that involved appreciative economic development officials from the city and the state.

"That's a pretty good testimony to Salt Lake City when you get a company like them to say we chose Utah, not once but twice," said Jeff Edwards, president and chief executive of the Economic Development Corp. of Utah.

Native Utahn Kim Peterson, Specialized's corporate distribution manager, said the review confirmed conclusions reached a decade earlier about Salt Lake's logistical advantages.

"The icing on the cake is that Utah is a fantastic place to live and raise a family, with unlimited outdoor recreation possibilities," Peterson said.

"There's also a great population of cyclists here," he added. "Specialized believes in cycling and the future of the sport and believes things will recover here. So we decided to make the investment and set up a new lease for a building with expansion capabilities."

Specialized handles just about every type of component there is for every kind of bicycle, be it mountain bikes, road bikes or their emerging hybrids, "crossbikes."

"We have racks and racks of bikes and all the other equipment," said Peterson, noting that bikes and parts are shipped from this center to about 1,200 independent bicycle dealers throughout the West.

He said the internal layout of the larger distribution center was reorganized to make the facility 25 percent to 30 percent more efficient for collecting, packing and shipping parts.

In addition, locker facilities were added to the men's and women's restrooms to let employees freshen up after midday bike rides.

"We have a lunch ride every day," said Peterson, who was not a cyclist when he joined the company, but now is (as is his whole family). "It's part of our culture. Instead of going to lunch, we jump on the bike, ride hard for 45 minutes, take a shower and get back at it. ... It's amazing how much better we work in the afternoon."

The "we" he referenced is the distribution center's 80 employees, up from 25 when the company first opened here. While no new jobs were added with the expansion, Specialized has not cut back either.

Part of the reason for that is the quality of people now on the payroll, Peterson said. That's the kind of endorsement Edwards relies upon while trying to convince other companies to relocate to Utah or expand here.

"Specialized found a lot of people here who find biking important. They show up to work on time, like what they do, bring a lot of workforce skills companies don't find in other places," Edwards said.

"That's our No. 1 asset," he added. "Do we have great geography? Yes. Do we have great transportation? Yes. But the real secret is our workforce. That's nice to hear."

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