

by **Ken Alltucker** - Mar. 18, 2011
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Yulex is planning Chandler factory

Rubber-products maker gets \$15 mil investment

Yulex Corp. has secured a \$15 million investment to establish a Chandler factory that will employ about 100 workers.

The company, based in Maricopa, said that the new factory would allow it to increase production of its natural-rubber products beginning in early 2012.

Yulex's new home includes two industrial buildings that total 60,000 square feet and a small office at Lone Butte Industrial Park, located at the southeastern corner of Interstate 10 and Loop 202.

Yulex will add about 60 manufacturing and administrative jobs and another 40 agricultural positions, which are required to grow guayule plants that produce natural rubber and resins for the company's products.

Tulsa, Okla.-based Argonaut Private Equity led the \$15 million investment that's funding the expansion.

Jeff Martin, Yulex president and CEO, said Thursday that the investment should be enough to allow the company to expand production, reach more consumers and sustain a profitable operation.

"It has been a tough economy for a couple of years," Martin said. "This is not only good for Yulex, it is also good for the state. These are the types of green jobs that need to be created for the economy."

Martin said the company would likely relocate its corporate headquarters from Maricopa to the new Chandler facility, but he said no final decision had been made. Yulex will maintain a Maricopa staff of 10 to 12 employees who will develop new technology and study crop science and plant genetics.

While the factory will initially support about 100 full-time jobs, Martin said the company anticipates adding 300 jobs over the next five years as Yulex grows.

With the new factory located on a 5-acre site that can be expanded to 20 acres, the company will have room for expansion, Martin said.

Yulex makes natural-rubber products and material for medical-device makers and consumer products. The company makes gloves from guayule latex that appeal to health-care workers and others who are allergic to traditional latex gloves.

Yulex is seeking to ramp up its production of commercial products. The company will soon announce a deal to supply material for sporting goods, Martin said. It also will supply material for consumer products such as footwear, clothing and baby products.

The Lone Butte board of directors and the Bureau of Indian Affairs approved the deal, which allowed Yulex to recoup tax savings because the Chandler facility is located within an enterprise zone, said John Roberts, Lone Butte Development Corp.'s marketing coordinator.

Roberts said the buildings had been empty for more than two years after Houston-based Trussway, which makes framing parts for residential builders and developers, vacated the site following the housing bust.