THE DENVER POST

BUSINESS

Its sprawling South Broadway campus is gone, but the 110-year-old Gates Corp. is still very much in business

Catering to the new horseless carriages, Gates family turned homegrown operation business into global enterprise



Hyoung Chang, The Denver Post

Thomas Pitstick, Chief Marketing Officer at Gates Corporation Global Marketing, Product Management, Engineering and Business Leader, poses for a portrait at the company's office in Denver on Tuesday, Feb. 9, 2021.

By JUDITH KOHLER | jkohler@denverpost.com | The Denver Post March 14, 2021 at 6:00 a.m.

Gates Corp., an iconic Denver company, evolved from making leather horse halters to creating products that help everything from cars, tractors and even wind turbines operate the world over.

And, it may be surprising to learn, the company is still in Denver, where it all began 110 years ago.

Gates Corp. has about 15,000 employees around the world and operates in more than 128 locations in 30 countries. The company has customers in roughly 130 countries and about 50 factories, including several in the U.S.

But its headquarters is still in Denver. About 430 people work out of the office building in downtown Denver and about 100 at the Customer Solutions Center in Englewood, where research, engineering and training take place.

"A myth about Gates is that we left and moved to China or wherever. Well, we do have factories in China, but most of what we make for North American customers comes from North American factories," said Tom Pitstick, the chief marketing officer and senior vice president of strategic planning.

People might think Gates is no longer in Denver because the company's factory and sprawling campus on South Broadway and its landmark water tank emblazoned with the company's logo have given way to blocks of new housing and commercial spaces. A remaining building now houses offices for various businesses.

"It was one of the things that people noticed for quite some time. When that moved, I think people thought we moved along with it. It's interesting to talk to people now in the community and say, 'Oh no, we're still here. We've been here this whole time," said Ani Vattano, Gates' director of corporate communications.

While Gates has been a Denver institution for more than a century, the company has had a global presence for decades. The family-run business, started by Charles C. Gates Sr. in 1911, was on the leading edge of U.S. companies expanding to other countries, Pitstick said.



Jerry Cleveland, The Denver Post A water tower with the Gates Rubber Co. logo stands atop the manufacturing plant, since demolished, at 999 South Broadway in Denver on Nov. 13, 2002.

Gates opened its first international manufacturing facility in Brantford, Ontario, Canada, in 1954 and a factory in Mexico in 1958. In 1963, the company opened its first factory in Europe. It was quite an evolution from its start as the Colorado Tire and Leather Co., which made horse halters from leather scraps and a product for the new horseless carriages: the Durable Tread. The item was a steel-studded band of leather that car owners fastened to the tires to extend the mileage, according to a company history provided by Gates.

The product took off, with help from aggressive marketing by Gates and his brother, John. The company expanded its product line to include tire patches and auto fan belts and switched from using leather to rubber. The company's name was changed to the International Rubber Company in 1917, the same year John Gates invented what became a signature product: the V belt.

"The invention of the V belt is almost like the invention of the light bulb. It's one of these things that was a critical component of at least the 20th century industrial revolution," Pitstick said.

The V belt, or fan belt, transfers power through the engine. Gates makes belts for vehicles, industrial machinery and appliances. Other products are hoses, water pumps, power transmission components and automotive accessories.

"We're the little belt in the vacuum cleaner. If you go to an ATM and get cash, the little belt that pushes your cash out are mostly Gates belts," Pitstick said

Most cars, trucks, buses, combine harvesters, tractors, construction equipment as well as oil, gas and mining equipment include Gates products, Pitstick added.

"Wind turbines, too. We have products that are used to adjust the pitch of wind turbines," Pitstick said.

Gates V belts are in heating, ventilation and air conditioning units and its belts are used in warehouses to move boxes around.



A characteristic V-shape is cut into Gates belts by skiver operator Shirley Sturtheit at Gates Rubber Company on Nov. 3, 1965.

"I've been here five years, and almost every day I come across something new, and I say, 'Oh my gosh I didn't realize our product is on that thing or inside it.' Things like ATVs and motorcycles and snowmobiles and bicycles," Pitstick said.

Gates now uses synthetic rubber, some of which is made from petroleum byproducts. Pitstick said over the past year, the company has launched new products that don't contain chlorine like other synthetic materials do.

Vattano said the company is also continually researching the use of alternative materials that are more environmentally friendly and are partnering with raw material suppliers concerned about environmental sustainability.

"One of the key themes I love about Gates is that it's kind of a humble, just-put-your-head-down and get-things-done-kind-of-company. But there's a lot of science and technology at Gates and sometimes we don't get credit for that. Denver in particular has a lot of engineers that work on products," Pitstick said.

The scope of the work and the company's reputation drew Dave Miller to Gates after he graduated from college with a mechanical engineering degree. He started in 1985, designing belts and other products. He is now vice president of the global product line management.

But Miller's association with Gates Corp. actually started before he became an employee. He jokes, "The place to start is maybe the day I was born at Gates."

He wasn't born there, but he did grow up around the company. His father, Donald Miller, started working for Gates in 1962, the year Dave was born. His father eventually rose to the rank of chief operating officer and retired in 1996, the year Gates finalized its merger with Tomkins, a London-based engineering firm.

"I spent a lot of time on South Broadway," Miller said. "Gates, in the old days, had a company store. It had a gas station. It had a medical clinic. There was a lot of day-to-day activity."

A company history refers to a celebration that opened the cafeteria, a company band and a roof garden used for festivities. During the Spanish flu pandemic of 1918, Charles Gates organized 10-minute, twice-daily calisthenics breaks outside after doctors prescribed exercise and fresh air.



Gates employees doing flu exercises outside the facility in 1918 to fight off the Spanish Flu.

Provided by Gates

When Miller was growing up and working summers at Gates, he figures as many as 8,000 people worked for the company in Denver.

"It was a well-known company and someone knew someone who worked at Gates everywhere you went," Miller said. "Today, definitely people don't recognize it as much or maybe they remember the factory on Broadway but they say, "Oh, I didn't realize you were still around.' They don't really know the complexity of the business or how large we are."

Miller's father joined the company after Charles
Gates Jr. took over following the death of Charles
Gates Sr. in 1961. The company sold its 50-acre site
on Broadway to a development company in 2001 and
changed its name to Gates Corp. in 2003.

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Denver-headquartered Gates Industrial bouncing back with initial public offering Tomkins, Gates' parent company, was acquired by the Canadian company Onex Corp. In 2014, the private equity group, <u>Blackstone Group</u>, acquired Gates for \$5.4 billion. <u>Gates</u> became a public company in 2018 and moved its headquarters to a new building downtown.

"Gates is really a longtime Denver institution. We don't have any formal connection with the family any more, but we know they follow us and watch us," Pitstick said. "We want to make sure we continue to build upon the great brand they built."

The <u>Gates Family Foundation</u>, started in 1946 and separate from the company, invests in education, natural resources, and community development programs. The foundation has awarded grants to respond to the COVID-19 crisis, according to its website.

The company has its own philanthropic arm, the Gates Industrial Corporation Foundation, which has donated to more than 150 nonprofit organizations, according to a statement.

Vattano said the company remains committed to being involved in the community. In December, for the fourth year, Gates delivered brand new bicycles to second-graders at Castro Elementary School in west Denver. Gates partnered with Priority Bicycles, a manufacturer, and Wish for Wheel. Employees put the bikes together in what they call a "BuildORama."

Gates also teams with the Downtown Denver Partnership on bike-to-work day.

The company released its second <u>corporate sustainability report</u> in October. Gates CEO Ivo Jurek (said with more than 100 facilities operating in 30 countries, "We take very seriously our responsibility as a global corporate citizen and are proud of the progress we've made."

The report addresses the company's efforts to reduce its greenhouse-gas emissions and water use. The report says Gates tracks the use of chemicals across all its operations and swaps out "materials of concern" when feasible.



Judith Kohler joined The Denver Post in August 2018 and is part of the business team, writing about energy, aerospace, agriculture and other topics. She spent 21 years with The Associated Press, covering politics, government, energy and the environment in Colorado and Wyoming.

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