

Companies making stand in central-city factory corridor

Improvement district, development breathing life back into area

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Faced with an aging, obsolete plant, DRS Power & Control Technologies Inc. might have relocated from Milwaukee's central city to a new suburban facility.

Instead, DRS plans to spend over \$11 million to remodel its manufacturing and research facility, 4265 N. 30th St.

"We could have gone elsewhere," said Sally Wallace, a DRS vice president and general manager.

But moving the company's extensive testing facilities, which received a \$5 million upgrade in the late '90s, would have carried a huge expense, Wallace said.

"We've been there a long time," Wallace said. "We want to strengthen the area."

DRS and other north side companies, including Master Lock Co. and Eaton Corp., are taking steps to make the central city a better place to do business. They recently formed a business improvement district for the 30th Street Industrial Corridor, an area bordered roughly by N. 27th St., N. 35th St., W. Ruby Ave. and W. Brown St.

The district is to collect \$166,000 yearly, mainly through assessments on commercial properties within its borders, to pay for graffiti removal, new street lights, a part-time em-

ployee to coordinate private security, and other efforts.

The district is being launched as new, significant developments occur in the corridor, which runs through some of Milwaukee's poorest neighborhoods.

DRS, which is seeking a \$1.5 million city grant to help finance its project, plans to add 80 employees to its work force of 370 people. Eaton is getting a \$500,000 federal grant for high-tech research at its lab, 4201 N. 27th St.

"Milwaukee's future depends on how we plan for the best reuse of these former industrial properties."

Mayor Tom Barrett

After years of shrinking its central city workforce, Master Lock has added jobs at its factory, 2600 N. 32nd St. And a former industrial glue factory, 2930 W. Center St., has been converted into a distribution center for Lena's Food Markets, which serves the central city with four supermarkets.

Those investments, and plans to redevelop Tower Automotive Inc.'s 140-acre manufacturing complex into new uses, are breathing life into the area, where factory jobs have been declining for decades.

"Milwaukee's future depends on how we plan for the best reuse of these former industrial properties," Mayor Tom Barrett said.

For years, the corridor was a big part of Milwaukee's industrial heart. Railroad tracks that

Business

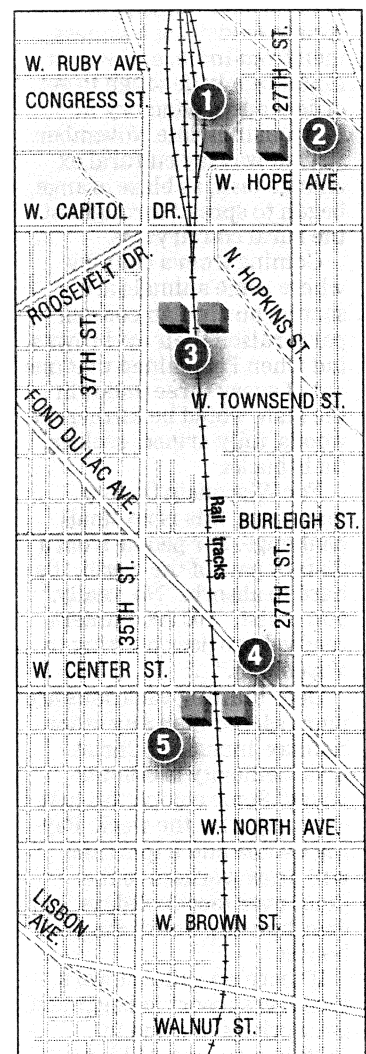
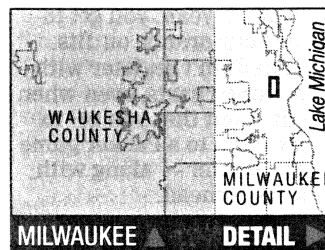
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INVESTMENT NORTH SIDE AREA GETS NEW DEVELOPMENT

The 30th Street Industrial Corridor is receiving several investments, including new jobs at Master Lock Co.; a new Lena's Food Markets distribution center; the redevelopment of the Tower Automotive Inc. complex; a planned remodeling at DRS Power & Control Technologies Inc., and a federal research grant for Eaton Corp. Some corridor companies have teamed up to create a business improvement district for the area.

- 1 **DRS Power & Control Technologies**
4265 N. 30th St.
- 2 **Eaton Corp.**
4201 N. 27th St.
- 3 **Tower Automotive**
- 4 **Lena's Food Markets**
2930 W. Center St.
- 5 **Master Lock Co.**
2600 N. 32nd St.



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Companies making stand in area

CORRIDOR, From 1D

run along N. 30th St. delivered raw materials to factories operated by A.O. Smith Corp., Briggs & Stratton Corp., Master Lock and dozens of lesser-known companies. Those businesses employed thousands of workers, many of them coming to their unskilled jobs with no education beyond high school.

Decline began in '50s

But some of those companies moved to new, more efficient buildings, including those in suburbs, starting in the late '50s and early '60s. Also, manufacturers went through a series of contractions, with the first big shock coming in the early '80s. Heavy industrial cities such as Milwaukee were especially hard hit.

The latest retrenchment for manufacturers started in the late '90s, as competitors in China and other Asian nations began taking market share from U.S. makers of goods ranging from padlocks to automobile frames.

At A.O. Smith's huge operation, bordered by W. Capitol Drive, W. Townsend St., N. 35th St. and N. Hopkins St., thousands of workers made frames for U.S. automakers. A.O. Smith sold the operation in 1997 to Tower Automotive, which began a series of layoffs as its customers lost business to foreign competitors. The factory complex, which had around 3,500 employees when Tower took over, is scheduled to shut down early next year, putting its 300 remaining employees out of work by March.

But if Tower's decline illustrates the problems within the corridor, plans for redeveloping the complex show the corridor's potential.

The Department of City Development, working with Sen. Herb Kohl (D-Wis.), just landed a \$250,000 federal grant to help create a detailed proposal for the site. Gov. Jim Doyle last month designated the Tower site as an enterprise development zone, providing up to \$3

million in state tax credits for companies that locate there.

About 34 acres of the complex that Tower no longer is using have been sold to real estate investors and the City of Milwaukee. Pressed Steel Tank Co., West Milwaukee Recycling LLC and the city Department of Public Works have announced plans to move to that part of the site, bringing 520 jobs.

City development officials have said that the remaining parts of the Tower complex could include retail, such as restaurants, neighborhood-oriented stores, and housing along Capitol Drive; light and heavy manufacturing in the middle and rear portions of the complex; and office use. Some of the buildings would be demolished to make way for new construction.

City officials are negotiating with Tower to gain access to remaining parts of the site to conduct environmental tests, Barrett said. Much of that plan's success will hinge on the city's ability to secure federal grants to help with environmental cleanup, which could cost millions of dollars.

Despite those costs, the Tower site appeals to developers because of its large acreage in a central location, Barrett said. The state tax credits, which are available only for jobs that pay at least 150% of the minimum wage, and other subsidies will help attract investment, he said.

Tim Casey, president of the 30th Street Industrial Corridor Corp., a non-profit group that focuses on economic development, said the Tower site and other corridor locations also have the advantages of being near a large, available work force, and of having good access to Capitol Drive and other major streets.

Locking in

Master Lock is another central-city revival story.

In 1997, the company had around 1,200 employees at its N. 32nd St. factory and corpo-

rate offices. But Master Lock began a series of job reductions, mainly because of pressure from foreign competitors that were selling cheap locks to Wal-Mart and other large retailers.

In 2003, Master Lock moved its corporate headquarters, with 180 jobs, from the central city complex to Oak Creek. Additional job cuts at the factory left the company with just under 250 production employees in Milwaukee, said Ted Nunziato, vice president of human resources.

Since then, however, Master Lock has added jobs, and the factory now has 336 employees, Nunziato said. Some of the positions were shifted to Milwaukee from a newly acquired lock factory in Crete, Ill., that Master Lock closed.

Nunziato said Master Lock shifted the work to Milwaukee in part because the company has a good partnership with United Auto Workers Local 469, which represents the central-city employees. "We have a proven work force here," he said.

Master Lock was among the companies that helped form the corridor's business improvement district, which the Common Council and Barrett approved this fall.

The district allows commercial property owners in the corridor to tax themselves and spend the money in the district on items such as security and litter pickup. The district is to raise around \$150,000 in special property assessments, with another \$16,000 expected from federal block grants.

The district's creation shows that businesses such as Master Lock "haven't given up on the area," said Sheree Dallas Branch, Master Lock's manager of corporate and community affairs.

The district is to hire the 30th Street Industrial Corridor Corp. to run its operations. The group last year helped sell Bostik Findley Inc.'s former glue factory on Center St. to an investors group affiliated with

Lena's Food Markets. The investors spent around \$200,000 renovating it into a grocery distribution center that opened this summer with about 50 employees, a project that was aided with federal tax credits.

In the north

The corridor corporation also is focusing on the area's northern end, home to the Tower complex and facilities operated by Eaton and DRS.

Eaton and DRS have high-tech operations. Eaton runs a research-and-development facility that this month snagged a federal grant to continue its work on a sensor technology designed to help manufacturers reduce their energy use.

DRS makes power equipment for the Navy, and its operations include a testing facility that employs engineers and technicians. The remodeling of the Milwaukee facility will allow DRS to lease out some of the space to other industrial users, Wallace said. The city's grant would be repaid through the improved building's property taxes.

Despite the recent developments, much of the corridor remains ridden with poverty, crime and other social ills.

Still, there will always be a place in the Milwaukee area for companies that manufacture and distribute products, said Casey, who also is a commercial real estate broker at Equity Commercial Real Estate LLC. The business improvement district, he said, will help make improvements that will change people's perceptions of the corridor.

Barrett said the corridor might never have the number of jobs that existed decades ago. But he also said city officials would be turning somersaults to land a company bringing over 300 family-supporting jobs to the central city — such as what Master Lock provides.

"I'd love to still have the jobs that are gone," Barrett said. "But I'm grateful for the jobs that remain."