

Commercial Development

Commercial projects experience quiet growth

Financing remains problematic for some

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Special to The Daily Reporter

Kurtis Welton is in Africa this month climbing Mount Kilimanjaro with his daughter. When he gets back to Madison, he'll be climbing a mountain of a different sort.

Welton is planning a new business park called Silicon Prairie in Verona about a mile west of Madison's Beltline Highway on Mineral Point Road. The business park is designed to be "off the grid," said Welton, who owns the Madison-based Welton Enterprises Inc. The park will run on renewable energy with a goal of selling electricity back to the utilities.

"It'll be Leadership in Energy and Environmental Design-certified, but it goes way beyond that," Welton said. "It'll have a little of everything. Wind, solar and another thing that will be the first of its kind in the country. I don't want to spill the beans."

While specifics of the business park are under wraps, it's the type of green development people are clamoring for, Welton said.

"I would not build an office building if it was not LEED-certified," he said. "If you don't do it, there won't be a market for it down the road."

While the state's residential building market is mired in an economic downturn, developers and real estate agents around Wisconsin say the commercial market is holding up. People like Welton are moving ahead with major projects, while others report business as normal.

In Wausau, Realtor Allan Woldt said low interest rates and the area's economic diversity have kept the commercial market strong.

"As long as interest rates stay below 10 percent, things will continue to go around," he said. "When they go past 10, that's when things stop."

The trick with low rates, he added, is getting the banks to give out loans.

"They don't want to give out cheap money," said Woldt, who is the owner of Johnson Commercial Realty in Wausau.

The firm recently sold a building in the Mosinee industrial park to an international meat-packaging firm. It also was involved with several commercial strip mall projects in the Wausau area.

"We're doing well, and we've been doing well for the six to eight years," Woldt said. "We're not seeing fast growth, but it's certainly not falling."

Downtown Green Bay had a setback in May when developer John Vetter announced he needed more time to finance a major condominium development along the Fox River.

In spite of that delay, commercial development throughout the city is continuing, said Carol Karls, business development specialist for the City of Green Bay Economic Development.

Office space in the city's downtown is 95 percent full, a riverfront development called Flats on the Fox is under way and the Interstate 43 business park is nearly full, Karls said.

"It's really not the horrible picture people paint it out to be," she said.

There are two surprising growth industries in Green Bay, she added. Shipbuilding and moviemaking emerged in the past year. KCS International shut down a yacht building line in North Carolina and moved it to its headquarters in Green Bay, and



PHOTO BY DUSTIN BLOCK

Commercial developments such as this strip mall at highways 31 and 20 in Mount Pleasant are holding steady across the state, according to developers and retailers. Peter Schwabe is building the Mount Pleasant project, which was designed by Willman Architects. Jimmy John's Gourmet Sandwiches, AT&T and L-J In'Hair'tance LLC are signed on to move into the development.

Pulse Studios announced last week it was shooting a \$2.5 million independent movie called "Nephilim."

The new movie will shoot a couple of weeks in Green Bay and a couple of weeks in Milwaukee, according to Scott Robbe of Film Wisconsin.

In southeastern Wisconsin, multi-family residential is a strong sector, according to Chris McCradle, senior vice president at NAI MLG Commercial in Brookfield.

McCradle is working with an out-of-state developer to find land for 200-unit upscale developments in the Milwaukee suburbs and in Green Bay.

Industrial development also is going well, but retail growth slowed, McCradle said.

"There's a fair amount of activity" in retail, he said, "but people are slower to pull the trigger. There are a lot of people out looking for space."

McCradle added it's a good time for people to find deals. National talk of a poor economy is scaring some people away but creating opportunities in Wisconsin. Bankers may be the one group not convinced it's a good time to buy.

"Some bankers are concerned," he said. "We're able to put deals together, but the finances are having trouble coming through."

Opportunities exist in Racine, said John Dickert, a Realtor with Coldwell Banker.

"The stronger companies are looking to lease more space or at buying," Dickert said.

He added the city remains in transition. Its new focus on waterfront development along Lake Michigan and the Root River is attracting interest, and the city's downtown is having commercial success.

"Who would have thought there would be a martini bar or an authentic Spanish restaurant on Sixth Street" in the city's downtown, Dickert said. "There are a real variety of businesses that are interested in Racine."



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