

Banking on the dock of the bay



Despite major layoffs in the past six months, Bay Shipbuilding in Sturgeon Bay is hopeful that a U.S. Navy contract this summer will bring Door County's largest employer back to full production. In the meantime, state and local officials have kicked in \$6 million to upgrade Bay Ship's dock facilities and there's plenty of other good economic news afoot.

RICK BERG

It's usually pretty bad news when your county's largest employer lays off more than a third of its workforce in less than six months, driving your unemployment rate to more than 12 percent – and it is, no matter how you cut it. But Door County leaders feel like they're doing surprisingly well under the circumstances and they have reasonable cause for optimism.

Bay Shipbuilding's announcement in April that it would lay off another 89 workers – bringing the 2010 total to more than 200 employees in its 700-plus workforce – might actually be seen as not-so-bad news for the Sturgeon Bay company, which had announced last fall that it might lay off as many as 405 workers. More layoffs could lie ahead, but Bay Ship officials are holding out hope that its parent company – Fincantieri Marine Group – will win a U.S. Navy bid to build several more Littoral Combat Ships. The work would be done at Bay Ship, as well

as at Marinette Marine in Marinette. Marinette Marine has already helped build two LCS vessels and recently won a \$63 million contract to build ships for the U.S. Coast Guard. The Navy currently has \$1.5 billion budgeted for LCS construction for 2011-2014.

Not waiting for that really big shoe to drop, the Sturgeon Bay City Council agreed to provide \$6 million in state harbor assistance funds to help build a new floating dry dock for Bay Ship. Fincantieri has also committed to more than \$100 million in improvements at the Marinette, Green Bay and Sturgeon Bay facilities, including a 3,500-square-foot training center and a 17,000-square-foot pipe shop at Bay Ship. Nearly \$3 million in federal stimulus funds were also committed to the project.

15 YEARS IN THE MAKING

It didn't take an entire generation, but a good chunk of one to get WireTech Fabricators relocated to the Sturgeon Bay Industrial Park.

"Sometimes it seemed like it would never happen," says WireTech co-owner Tom Lardinois. Along with co-owner Mike Baudhuin, Lardinois credits Sturgeon Bay City Administrator Steve McNeil and the Door County Economic Development Corp. with finally getting the job done.

The \$3 million, 66,500-square-foot facility, built by Keller Inc., provides WireTech with the capacity it needs to grow – it's added nearly 20 employees in the past year to keep up with demand from companies like Green Bay-based KI. But it also provides the city with a rare opportunity to upgrade its constrained housing inventory. The city acquired the existing WireTech site on North Sixth Avenue for \$1 million.

The site, which was already located in a residential district, will now be redeveloped into a 17-lot subdivision by V&A of Sturgeon Bay, a partnership between Van Rite Construction and Heritage Custom Homes of Green Bay. "That's been one of our biggest

Optimism reigns at Door County economic event

Optimism seemed to be the order of the day at the annual Door County Economic Development Corp. investors meeting, held April 28 at the Stone Harbor Resort and Conference Center in Sturgeon Bay. This year's crowd of 325 was up 20 percent from last year's total of 270. "It's either optimism or people are looking for optimism," said one of those in attendance – David Ward, president of NorthStar Economics and a member of the DCEDC board of directors.



Roen Salvage President John Asher accepted the Door County Industry of the Year Award.

Keynote speaker Patrick Carr, author of *Hollowing Out the Middle: The Rural Brain Drain and What It Means for America*, told attendees that as the economy grows and demand for skilled workers increases, communities will face a stiff challenge in retaining their home-grown talent.

As young people come out of high school, Carr told attendees, "the question becomes, 'Do you stay or do you go and if you go do you ever come back?' A lot of them are leaving and they're not coming back."

A certain number of young people will leave to pursue careers, regardless of the opportunities available locally, said Carr. The problem is that local communities have tended to focus too much of their educational energy on the achievers who are likely to take their skills elsewhere.

There's nothing wrong with putting educational resources toward "the best

and the brightest," according to Carr. "However, putting all your eggs in the basket of those who are going to leave, to the detriment of everyone else, is a self-defeating proposition."

Carr said linkages between educators and businesses will be critical in developing the skills sets needed by local industry and also in showing young people that there are viable career options at home.

"The good news is, Door County is well ahead of the curve in addressing this issue," Carr said. He noted the construction and nursing programs developed by the Door/Kewaunee Business and Education Partnership as an example of the type of initiative that will pay dividends.

Some Door County business people had more reason for optimism than others. Roen Salvage Co. was named Door County Industry of the Year, while J.J. and Kristine Johnson, who own three restaurants in Door County, were named Entrepreneurs of the Year.

Roen Salvage is a marine construction company, with recently completed projects that include a ship berth at Bay Shipbuilding, and breakwater reconstruction in Petoskey, Mich., as well as dredging the Menominee, Green Bay and Kewaunee harbors and the harbor channel in Sturgeon Bay. Roen has also been honored by the U.S. Army Corps of Engineers as Contractor of the Year.

JJ and Kristine Johnson are the owners of JJs/La Puerta and the Waterfront in Sister Bay, and JJ's of Jacksonport. The Johnsons were credited with opening the Jacksonport location in 2009 while also dealing with the challenge of reopening



PHOTOGRAPHS BY RICK BERG

Rural areas face a tough challenge in retaining young talent, says Patrick Carr, author of *Hollowing Out the Middle: The Rural Brain Drain and What It Means for America*. However, Door County is doing a better job than most meeting that challenge, Carr told attendees at the recent Door County annual investors meeting.



J.J. and Kristine Johnson were named Door County Entrepreneurs of the Year. The Johnsons own three restaurants: JJs/La Puerta and the Waterfront in Sister Bay and JJ's of Jacksonport.

JJs/La Puerta after that location suffered a fire that forced them to close the restaurant's doors for six months. ①

goals for some time now – to expand the housing base by developing the WireTech site," says Sam Perlman, economic development director for the Door County Economic Development Corp.

WIRED, UNWIRED AND INSPIRED

They missed out on the first round of federal broadband stimulus grants, but Door County officials and Green Bay-based Nsight are optimistic that a \$15 million application in the second round will do better. Nsight's new bid will help fund a fiber-optic loop to provide broadband services to county buildings, schools and businesses.

More important, says Perlman, is that Nsight's proposal would expand the wireless options in the Door peninsula.

"DSL and other wired broadband is not coming to northern Door County anytime soon," says Perlman. "The population is too widely dispersed, so fiber is just not practical, Wireless will be the best option for many parts of our county. We already have that in many areas, but we need to increase our bandwidth capabilities."

Waypoint Private Capital and DCEDC have also established the Door County Opportunity Fund to provide seed and growth capital to early-stage companies.

As for the future, the Door Kewaunee Business & Education Partnership (DKBEP) received a \$22,500 Community-Based Economic Development grant from the state Department of Commerce to develop a program to expose youth to regional businesses and career opportunities in the area and prepare them with the skills required for those jobs.

The partnership has already established a construction program that has produced homes that generated seed money for future building projects, as well as a nursing assistant program in conjunction with Northeast Wisconsin Technical College. ①