Saukville officials feel aggressive stance needed to counteract recession

When the Village of Saukville's Community Development Authority decided last month to deeply discount the price of land in the Dekora Woods Business Park, it got the attention of the business community.

Noting there have been no land sales in the village-owned business park since the summer of 2008, the CDA decided to slash the price of land to $15,000 an acre.

Since 2004, the village has charged $30,000 an acre for the fully improved building sites in the park.

There are 30 acres available in the business park, mostly north of the water tower on either side of Dekora Woods Boulevard.

To qualify for the reduced price, developers must buy at least two acres.

The pricing is in effect until June 30, but Community Development Director Brian Biernat said the discount could be extended into the foreseeable future.

“It will probably be re-evaluated after the first six months, and my guess is it will be extended until it is determined the incentive is no longer needed to attract new business,” Biernat said.

Reaction in the real-estate community has been quick and resoundingly positive.

“I’ve explained the program to three brokers who specialize in manufacturing and industrial deals, and the response has been enthusiastic,” Biernat said.

He said the discount runs contrary to the inclination of village officials in recent years, but the current economic quagmire has a lot of people looking differently at business.

“Every year, the CDA does an analysis of whether the land in our business park is appropriately priced. At $30,000 an acre, there was some thought that we may not have been charging enough,” Biernat said.

“Up until two or three years ago, there was never any need to look into incentives to attract businesses to communities like Saukville.”

Since the business climate turned sour, he said, there have been few inquiries about the availability of land.

“Still, life goes on, even in a recession that doesn’t seem to want to let go. I am convinced that even in this economy, there are entrepreneurs out there who are looking to make a move. We want to make people like that aware that Saukville is ready to do business,” Biernat said.

“From the numbers I am seeing, I am afraid we may be looking at another year or two before we start to see a significant rebound from this recession. Still, I think it would be a mistake to sit back and wait for things to turn around.

“This is not the kind of economy where sticking with the status quo is going to work. I believe this is a market like none of us has experienced before. We realized we needed to do something.”

The discounted land price will be a success, Biernat said, if it draws one or two

new businesses a year to the park.

“That was pretty much the pace of growth we had seen dating back to the 1990s. The CDA is very sensitive to its mission of fostering economic development, and its role in enhancing the tax base and creating jobs in the community,” he said.

Biernat called the land discount “a first step in trying to turn things around.”

The groundwork is also being laid for a new finder’s fee incentive that would pay cash incentives to industrial brokers who steer clients to Saukville.

“If you can get 20 real-estate people in the metropolitan Milwaukee market to work on behalf of the interests of the Village of Saukville, we will have achieved our goal and that could end up paying dividends down the road,” Biernat said.

Other communities are doing what they can to attract new industries, although public land is getting rare.

The City of Port Washington has no land available in its industrial park. The last parcel of municipal land set aside for industrial development was sold in 2001. Developer Paul Weise has a few parcels designated for industrial use along Bywater Drive and Wispark has 27 acres of industrial land at the corner of Sunset Drive and Park Street. The city’s 2035 comprehensive plan also shows a future business park on the north side of town, along Highway LL.

Even without public land, Randy Tetzlaff, the city’s director of planning and development, said Port is doing what it can to attract businesses.

“We continue to work with prospects and offer our revolving loan fund as a low-interest loan incentive, as well as industrial development bonds,” Tetzlaff said.

He said it could take more than discounted land to turn the development tide.

“At this time of economic uncertainty, saving a few grand on land may not make a deal. Prospects are being required to provide too much equity, or they just cannot get any financing for their projects to even expand,” Tetzlaff said.

“Others are just lying and waiting to see if their orders pick up. Until demand presents itself, there will be little new building or expansion.”

Still, Tetzlaff lauded the innovation Saukville is exhibiting.

“I applaud Saukville’s willingness to try to lure new business by offering land write-downs, and wish them well,” he said.

Like Port, the Village of Fredonia’s business park has no land available for additional development.

Municipal land is available for industrial development in Mequon, and Cedarburg is planning a business park along Highway C.

Kathleen Cady Schilling, executive director of Ozaukee Economic Development, said there could be a windfall for communities that take outside-the-box approaches to drawing development.

“I think there is a need to be innovative in today’s economy. I am working with a few businesses that are looking closely at what is out there,” Schilling said. “People are looking for deals right now, but there is a hesitance to commit to large, capital investments. Most businesses are more interested in hunkering down and waiting for orders to come in.”

VILLAGE OF SAUKVILLE Community Development Director Brian Biernat hopes discounted land prices spurs development in the village-owned Dekora Woods Business Park. Photo by Mark Jaeger