Written by Mark Jaeger
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Prism Manufacturing intends to occupy some vacant Simplicity space

Prism Manufacturing Group cleared one financial hurdle last week in a bid to consolidate operations into some of the factory space previously used by Simplicity Manufacturing in Port Washington.

The Ozaukee County Board approved a $70,000 Community Development Block Grant loan to the company on April 7.

Company co-owners Jack Zbiegien Jr. and Ric Czarnecki are awaiting word from City of Port Washington officials next week on an additional $100,000 revolving loan.

In both cases, matching funds need to be secured through commercial lenders.

If things go as planned, the privately owned screw-machine shop will combine operations from plants in Brookfield and Manitowoc at the Port location on North Spring Street.

Although several short-term tenants currently rent some of the space in the expansive factory, the north end of the plant will easily accommodate the 30,000 square feet Prism is expected to need initially for its operation.

“When I dream at night, I like to envision us filling the entire building, but for now we are certain to have plenty of room for our current and future needs,” Zbiegien

said.

“Our goal is to maintain steady, controlled growth while adhering to our core guiding principles. I see Port Washington being our long-term home.”

Zbiegien said Port is a desirable location because it is equidistant between the company’s two current plants.

According to Kathleen Cady Schilling, executive director of Ozaukee Economic Development who helped prepare the loan requests, the company will be bringing 12 workers to the Port location. Plans are to hire an additional 12 laborers over the next two years.

“We initially met with them 1-1/2 years ago when they were looking into acquiring a Saukville company. Then, three months ago, they called and said they were ready to pull the trigger on relocating into the Simplicity site,” Cady Schilling said.

She said the county loan will be used for working capital, while the Port loan — if approved — has been earmarked to purchase capital equipment.

The terms of the county loan offer the money over five years at an interest rate of 1.625%. Even with the loan, Cady Schilling said, the county has about $200,000 available to qualified companies looking for low-interest loans.

“We try to cap our loans at $100,000,” she said.

The City of Port has about $300,000 for revolving loans.

The loan programs utilize a pool of state money, and do not have any tax impact for the county or the municipality.

For companies not interested in going through the kind of scrutiny a revolving-loan fund application can require, Cady Schilling said, her agency is always willing to help with applications for Small Business Administration loans or funding from commercial lenders.

Cady Schilling said she takes the Prism request as a sign that local manufacturing is poised for a rebound.

“Maybe it is just spring in the air, but I think there is reason for optimism with the economy. We haven’t seen much upswing in hiring yet, but new capital spending by companies is starting to surface, and that traditionally comes before they start hiring,” she said.

Cady Schilling said she is not dismayed at the prospect of a small employer settling into the space formerly occupied by a manufacturing giant.

“If you are waiting for a 200-employee company to move in, it is kind of like mining where you might not come up with anything,” she said.

“Bringing in 24 new jobs is a significant step for the community, and I think it represents an uptick in the local business climate.”

Prism started as G & P Machine Company in Manitowoc in 1972.

G & P Machine specialized in component runs of less than 10,000 pieces. In 1987, a separate division, Panda Industries, was formed to specialize in higher volume production runs.

The parent company was purchased by Zbiegien and Czarnecki in 2007. Private financing through an outside investor was secured last December, clearing the way for the company to eliminate debt and be more aggressive in pursuing the goals of
its business plan.

In its loan application, company officials were blunt in their critique of the screw-manufacturing industry.

“The industry is predominantly run by people that have managed their firms for over 30 years and there is no succession plan in place. Without this infusion of talent that can drive growth, the competition becomes lazy and opens an opportunity for growth,” the business plan summary included in the company’s loan documents noted.

“The customer base in the industry is desperate for innovation, cost reductions and a relationship with a vendor that they understand is a partner that is focused on making their supply chain strong.”
Zbiegien is a Cedarburg resident, and Czarnecki is a Grafton native who now lives

in West Bend.

If both loans and needed bank funding is secured, Zbiegien said, the company anticipates setting up operations at the Port site this summer. Full operations are expected by early fall.

PRISM MANUFACTURING GROUP will consolidate operations on the north end of the sprawling site formerly occupied by Simplicity Manufacturing in Port Washington. The Ozaukee County Board approved a low-interest loan to the company last week, and a similar revolving loan request will be presented to City of Port Washington officials next week. Photo by Mark Jaeger