

NewsWave

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*Suite success
stories in a
down market*



Brian Wogernese of WHG Properties opened Comfort Suites along the Hwy. 41 corridor in 2008.

Suite success stories in a down market

new businesses, including Northern Telephone & Data, Anytime Fitness, Saint James Cocktail Lounge and Taste of the Windy City.

Brian Wogernese also changed the corridor's landscape significantly by building Comfort Suites, which he says fills a niche among Oshkosh's hospitality venues. Among the Choice Hotel chain, Comfort Suites is an upscale brand, something Wogernese felt was needed in the Oshkosh market and fit among his mix of hotels, which include Hawthorn Suites and AmericInn in Oshkosh.

"We built here because the market was stronger at the time, and we had a presence in Oshkosh and wanted to continue that presence," he said.

Further south off Highway 41, deconstruction has begun inside the former Wallace Furniture building to make way for a new Best Buy and Michael's Home Goods, both recruited to Oshkosh by the Alexander & Bishop real estate development company. The two new big box stores are scheduled to open later this year.

North side development

The west side isn't the only part of town that will welcome a big box retailer in the future. Alliance Development partners are working with Shopko to build a new store at Fair Acres near the north-side Pick n' Save. Goudreau said the area also provides a prime location for new retail.

Rob Kleman, executive director of the Oshkosh Area Economic Development Corp. (OAEDC) agrees, adding that the area has been underserved by retail.

"We have felt that the north and northeast side of town is under retail," he said. "We've made progress over the past three to five years. The Shopko store is something we've identified as being needed on that side of the community."

According to demographic data obtained through the ESRI geographic system, more than 13,000 people live within one mile of the Fair Acres site, as compared to just more than 5,000 who

live within one mile of Pick n' Save's south-side store on Koeller Street.

"There are a lot of roof tops and a large high school on the north side of Oshkosh," Kleman said. "We need more shopping options on that side of town."

Significant expansions continue

The introduction of new big box stores is a welcome addition to Oshkosh, especially in one of the worst economies recorded in U.S. history. And, even more good news is being reported in Oshkosh.

Renewegy, founded in Oshkosh in 2008, manufacturers wind turbines and propulsion systems. Thanks to help from OAEDC and Chamco, Inc., Renewegy received a \$250,000 low-interest loan from the state Department of Commerce, which will help it create 40 to 60 new jobs at wages that could reach \$60,000 to \$120,000.

"This is a cutting-edge alternative energy and technology firm that has the potential to add jobs above our median income levels," Kleman said. "One of our economic development goals is to raise median income levels. The addition of this company goes a long way in accomplishing that goal."

4imprint also announced that it would expand to a larger distribution facility which has been built in the Southwest Industrial Park. The company was challenged with the need for more space not only at its current distribution center, but also at its office in City Center.

"There are a couple of great benefits to this facility," said Elizabeth Hartman, CEO and general counsel of Chamco. "Not only will the building add to the tax base, but 4imprint plans to add jobs at both locations."

4imprint, she said, plans to add more than 50 jobs in the next three years, adding to the 140 jobs created at the company in the past three years.

More good news in a bad economy

Some of Oshkosh's small commercial businesses also recorded growth in 2008.

Rhyme, which sells business machines and supplies with headquarters in Portage, expanded to Oshkosh in 2004. In 2008, the company purchased two other Oshkosh businesses—Advanced Office Systems and Scharpf's Office Products. All locations, inventory and 39 employees have been consolidated under Scharpf's North Main Street location.

President Mike Steinhoff, who said he is "always thinking about expansion," likes Oshkosh and said it was a natural northern progression from an established customer base in Dodge and Green Lake counties.

"In the 10 years I've owned Rhyme, it has grown every year, and we expect 2009 to be the best ever," Steinhoff said. "There is always a bright spot in the economy, and we tell our sales people to talk about it. People are concerned about expenses more than ever, and we show them how they can save money and reduce

2008 Business Development

- 4imprint announced it would build a new 87,160-square-foot distribution warehouse in the Southwest Industrial Park.
- The American Red Cross moved its regional offices to the Tower West building at 515 S. Washburn St.
- Assurance Title began construction on a new 8,640-square-foot office building at 901 Witzel Ave.
- Aurora Medical Group remodeled vacant office space at 712 Doctors Court for a sleep clinic.
- A&W Drive-In opened their new business at 2187 Ninth Ave.
- Becket's restaurant opened in City Center.
- Bella Vista opened their new facility in Mercy Medical Center.
- Bergstrom of the Fox Valley Suburu opened at 3325 S. Washburn St.
- The Bridgeview Centre opened at 230 Ohio St. The building houses the Oshkosh Area Community Foundation and the real estate development offices of Alliance Development, Schmiedel Development and Bros LLC.
- Bros LLC completed an addition, combining two buildings into one strip mall. New occupants include Northern Telephone & Data, Taste of the Windy City, Anytime Fitness and Saint James Cocktail Lounge.
- Bros LLC also built a new strip center that now includes Alltel, The Schultz Agency (Allstate Insurance) and Aspen Dental.
- Burns Development began construction of two residential townhouse buildings at the former Miles Kimball Company site on South Main Street.
- Caramel Crisp opened its new location at 200D City Center.
- Comfort Suites opened an 80-unit hotel at 400 S. Koeller St.
- Corrim Company purchased a facility from the former Radford Company in the Northwest Industrial Park.
- C.R.E.W. moved into a new facility at 1325 W. Fernau Ave. in the Northwest Industrial Park.
- Culligan Water Distribution added an 8,000-square-foot distribution facility at 3200 Fernau Court in the Northwest Industrial Park
- Dowling Investments completed construction of 42,000 square feet of manufacturing space at 2380 Atlas Ave.
- Financial Architects expanded to a new 2400-square-foot facility.
- Fine Country Gourmet opened a store at 417 N. Main St.
- Fiss and Bills Poklasny Funeral Home and Cremation Services opened a new facility at 865 S. Westhaven Drive to replace their downtown location.
- Green and Gold Wireless opened their new 2,000-square-foot retail store at 710 W. Murdock.
- Horicon Bank opened a new branch at 1819 Witzel Ave.

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By Kelli Karpinski

The landscape along the Highway 41 corridor in Oshkosh underwent changes—some subtle, some not so subtle—during 2008, proving to thousands of travelers that the city's economy continues to roll along.

New retail, service and hospitality businesses filled new and remodeled strip centers. The city's latest hotel, Comfort Suites, opened in September. A deal was signed to bring Best Buy and Michael's Home Goods to the former Wallace Furniture site.

Commercial development partners Art and Andy Dumke, Randy Schmiedel and Mike Goudreau had much to do with the transformation that happened along

Highway 41. Andy Dumke compares the Highway 41 corridor to waterfront property—it's valuable, and there's only so much of it.

"Highway 41, from Ninth Street to Highway 21, has Andy's name written all over it," Schmiedel said. "That whole corridor has been visually impacted."

The developers, which have formed companies like Alliance Development, Discovery Properties and Bros LLC, built and opened the new strip center in the 400 block of Koeller Street that includes Allstate Insurance and Alltel. In Koeller Street's 300 block, they renovated the building that formerly housed Ransom's Audio, connected it with the once stand-alone Tan Lines and recruited



Mike Steinhoff, president of Rhyme, led the organization through an expansion in Oshkosh in 2008.

expenses.”

Wogernese also will be moving his corporate headquarters for WHG Properties to a new building in Universal Business Park.

Construction will begin this spring and be completed within just a few months.

Wogernese said the move will mean less driving for him and his six office employees.

“It’s a matter of logistics,” Wogernese said. “We have properties on the west side, in Ripon and in Milwaukee. We need to be close to (highway) 41 and have better accessibility to our hotels.”

Oshkosh by the numbers

Oshkosh recorded many bright spots in the economy during 2008.

In 2008, 1,538 commercial building permits were issued, totaling more than \$40 million. That was a 9 percent increase over 2007. Residential construction in the city totaled more than \$42 million, a nearly 16 percent increase over 2007. The area recorded 186 new business incorporations. New commercial construction in 2008 totaled 111,072 square feet. At the same time, 76,000 square feet of industrial space was created.

“I find those numbers to be impressive,” said John Casper, president/CEO of the Oshkosh Chamber. “We now know that the recession we are in now started at the end of 2007, and we began seeing the effects of that in 2008, especially on a national level. Yet, Oshkosh’s economy continued to grow.”

Casper also notes that at the end of the first quarter in 2008, Oshkosh recorded its highest rate of employment ever, with 39,626 people employed.

“That’s significant from the standpoint that in a down

economy, there are more people working in Oshkosh than ever,” Casper said. “That’s a good thing.”

The unemployment rate has increased since then, but still remains well below the state and national levels. At the end of 2008, the last month that statistics were available, Oshkosh’s unemployment rate stood at 5 percent, as compared to 6.2 percent in Wisconsin and 7.2 percent in the nation.

During the fourth quarter of 2008, the Oshkosh Chamber surveyed CEOs of its member businesses to see how they fared in 2008 and provide predictions for 2009. While 52 of 120 CEOs were forthcoming in saying that their business’ profitability in 2008 was below expectation, more than 56 percent of the CEOs that responded said profitability met or exceeded expectations. When asked to compare 2008 to what is expected in 2009, more than 65 percent of the CEOs expect their sales revenue to increase this year.

“Of course, we know that these are only predictions that are based on what they knew the day they took the survey,” Casper said. “Results show, however, that local CEOs are showing a degree of confidence in Oshkosh’s economy in 2009.”

Casper sees many silver linings in the economy: local banks are lending money, real estate developers say this is the time to buy, and Oshkosh residents will have new places to shop in 2009 and 2010.

“We can’t deny that this is one of the worst economic times in our nation,” Casper said. “We have businesses in distress. More jobs will be lost. But, I’m hopeful that the pain we see and hear through the national media will not hit home to the extent that it will in other parts of the country.”



Economist predicts recovery will begin in 2010

Brian Beaulieu, Institute for Trend Research

By Kelli Karpinski

A leading economist said last month that comparing our current economy to the Great Depression is “nonsense.”

Brian Beaulieu spoke to more than 300 Oshkosh Chamber members February 12 during the fourth annual Economic Outlook Breakfast. Beaulieu, who presented “Projecting When the Recovery will Start,” is executive director for the Institute of Trend Research, based in New Hampshire. He also serves as the chief economist for The Executive Committee, a global organization of more than 10,000 CEOs. The breakfast was sponsored by Ganther Construction/Architecture.

“This is a business cycle,” he said. “It is not the Depression. This is a downturn. It is not the end of the world.”

That is not to say, however, that the economic crisis isn’t painful. In fact, the pain will continue in 2009, he said.

“2009 is a lost year, folks,” he said. “We (economists) continue to think that 2010 will be the start of the recovery.”

While Beaulieu predicts that the recovery will begin in 2010, many sectors of the economy will take much longer to bounce back. The stock market, for example, is “not going anywhere in a hurry,” he said. If the Dow Jones Industrial sinks below 7,500 this summer and then stabilizes, it will have hit bottom. However, it will take at least 10 years before we recover what we lost prior to the start of the current bear market, he said.

Beaulieu also predicts that it will take more than a decade for housing starts to reach their March 2006 level. They will rise, albeit a modest 1 percent, in 2010, but a return to record highs won’t happen until 2023, he said.

Beaulieu is especially critical of the economic stimulus package passed by Congress last month. A much more cost-effective and promising stimulus would have been to give each American household \$20,000 to help citizens pay off debt, buy cars and even have a little much-needed fun.

“This is serious money that we are putting on the table, and we have no clue how we’re going to pay for it,” he said. “Be afraid of this debt. Be very afraid.”

What scares him more, he said, is that our children will be paying for the excesses of today. Instead of enduring the pain today, we are putting it off to future generations. We are building a foundation for inflation to increase due to the large amount of money we are printing, he said. Therefore, he predicts inflation will hit 18.4 percent sometime between 2025 and 2030.

“How will we pay off this debt before the dollar gets cratered?” he said. “It keeps me up at night. It should keep you up at night.”

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- Impromed remodeled its offices at 302-304 Ohio St.
- John’s Automotive Service built two additions at 934 N. Main St.
- Kwik Trip opened its new facility at 215 W. 20th Ave.
- Living Water Lutheran Church built a new facility at 1585 S. Oakwood Road.
- Menards added Garden Center space and expanded its materials yard at 2351 Westowne Ave.
- Midwest Tasty Bites opened their new store at 2090 W. 9th Ave.
- Morton Pharmacy opened a new facility at 251 N. Sawyer St.
- Newman Center of Oshkosh added more than 3,000 square feet of church space at 800 Elmwood Ave.
- O. Salon and Spa opened at 460 N. Main St.
- Oakbrook Evangelical Free Church opened its doors at 3126 W. 20th Ave.
- Oshkosh Community YMCA expanded its west-side location to include a gym, running track and fitness studio.
- Construction began to remodel the Oshkosh Convention Center.
- Oshkosh Office Systems moved to a new location at 2975 S. Oakwood Road.
- Oshkosh Westowne LLC opened at 2231-2241 Westowne Ave., which houses Cousins Subs’ second location and Cellcom’s new retail store.
- Nike Factory Store and Le Gourmet Chef each opened new stores at The Outlet Shoppes at Oshkosh.
- Pioneer Metal Finishing located a 91,000-square-foot industrial coatings facility on 26th Street.
- RACE office products moved to a new location at 1351 Planeview Dr.
- Real Marketing opened a new location at 601 W. 6th Ave.
- Rebath of Central Wisconsin opened a new facility at 230 N. Koeller St.
- Renewegy opened in the former Bergstrom Automotive building at 3650 Jackson St.
- Park View Health Center opened a new facility at 725 Butler Ave.
- The Schultz Agency opened an office at 408 S. Koeller St.
- SEEK Careers and Staffing relocated to 460 N. Koeller St.
- Serwas Window Cleaning Services moved to a new location at 1004 S. Main St.
- Sports Clips opened at 540 S. Koeller St.
- TK Commercial Investments LLC built a new office building at 1730 Algoma Blvd.
- Thundera Multimedia Productions moved into new offices at 347 N. Sawyer St.
- Titan Stadium at JJ Keller Field completed construction.
- U-Haul added a new warehouse at 243 Ohio St.
- The former American Legion facility was renovated and opened as The Waters at 1393 Washington Ave.
- The Wisconsin Street Bridge was reconstructed and opened.
- Youngwirth Metal Fabricators added 5,000 square feet of warehouse space at 3600 N. Main St.

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