

County declared 'in distress'

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JEFFERSON — Jefferson County has been declared “distressed” in the wake of Tyson Foods Inc.’s recent announcement that it will be closing its century-old Jefferson plant next year.

Tyson’s pending closure, planned for next June, was one of the area’s many business shutdowns during the past year. Other area companies experiencing layoffs include McCain Foods, Multicolor Eaton in Watertown and Littelfuse in Lake Mills. Together, roughly 1,000 jobs will be lost, Genevieve Coady, director of the Jefferson County Economic Development Consortium, told Jefferson County officials on Thursday.

“Because of this latest announcement, for the first time in a very long time, Jefferson County is now considered a distressed county,” Coady said. “That qualifies us for more funding programs through the federal government. We’ll look for workforce and other programs.”

Calling the pepperoni plant’s shutdown and idling of its 400 employees “part of efforts to improve the overall performance” of Tyson’s prepared foods business, officials from the Springdale, Ark., company said that operations in both Jefferson and Chicago, Ill., would be closing in 2016.

They noted that the closings will enable Tyson Foods to use available production capacity at some of its other prepared foods facilities. Both the pepperoni plant in Jefferson and the Chicago facility, which makes prepared foods for the hospitality industry, are expected to cease operations during the second half of the company’s fiscal year 2016, which ends Oct. 1, 2016.



LOOKING FORWARD

LOOKING FORWARD — The Jefferson Common Council, City of Jefferson Planning Commission, the Redevelopment Authority (RDA) and other county officials met Thursday to discuss the recent Tyson Foods Inc. announcement of impending closure of its Jefferson plant.

Approximately 400 workers will be displaced when the plant closes in the summer of 2016. Topics of discussion included strategies to help Tyson employees who will be displaced due to closure of the plant, as well as potential future usage of the property the plant is located on. In attendance to help provide an idea of what could be done with the property were two representatives of the City of Jefferson’s planning consultant, Vanderwalle and Associates. — Daily Union photos by Alexa Zoellner.

“We examined many options before we turned down this road,” Donnie King, president of North American operations for Tyson Foods, said upon announcing the pending closure. “This affects the lives of our team members and their families, making it a very difficult decision. But after long and careful consideration, we’ve determined we can better serve our customers by shifting production and equipment to more modern and efficient locations.”

Members of the Jefferson Common Council, the City Planning Commission and the Redevelopment Authority met Thursday to discuss the Tyson closure. Also present were Coady; Brian Vanderwalle and Marta Purdy, both of Vanderwalle and Associates, the City of Jefferson’s longtime planning consultant, and Jefferson County Administrator Ben Wehmeier.

“Really, our first priority is with the workers,” Jefferson Mayor Dale Oppermann said. “To make sure that they’re cared for and all the services that they need will be made available to them.”

Coady explained that the state Department of Workforce Development has a program called Rapid Response that provides resources and staffing to help displaced workers in situations like the one Jefferson County is currently facing.

“One of the goals of the Rapid Response will be to get a workforce profile of Tyson employees,” Coady said. “The good news is, from what we’ve learned, it looks like they’re a pretty skilled workforce, so hopefully we’ll be able to get them re-employed in other facilities around the area pretty quickly and maybe even get them a little bit higher wages.”

She estimated that the majority of displaced workers make between \$10 and \$13 an hour.

“The Department of Workforce Development has already received training dollars from the federal government to help retrain employees,” Coady noted. “Part of the process when they connect with Tyson employees will be to determine if they can find other employment, if they want to find other types of employment and then what training needs to happen so that they’re qualified for these other positions.”

Approximately 370 union employees at the Tyson plant travel to Jefferson to work from as far as Janesville, Beloit, Milwaukee, Watertown and Cambridge.

Coady cited several area companies that are in the process of expansion, including Jones Dairy Farm and Ball Corp., both in Fort Atkinson, and Johnsonville Sausage and Eaton Corp., both in Watertown.

The main discussion Thursday focused on thoughts about future uses for the Tyson property.

“(Tyson Foods officials) told me that typically, when the company closes a plant, more often than not, they try to sell the property,” City Administrator Tim Freitag said. “Sometimes they hang

onto the property if they anticipate possibly reopening it. Talking with them about this facility, my sense is that that won't happen."

Freitag noted challenges with the property, including the fact that the core of the building is 100 years old, 80 percent of the site is located in the floodplain, it is multistoried so it's not the most efficient to move product up and down, and it is located downtown, which makes it difficult to move product in and out of the facility efficiently.

Multiple attendees expressed agreement.

In his conversation with Tyson officials, Freitag said, he was asked if the community had begun to formulate a preference as to what should happen to the property, which borders the Rock River.

"I think our first crack at (getting an idea of what we want to do with the property) is tonight," Freitag said. "It may very well be important for the city to adequately communicate with Tyson, sooner into the process than later, what the community preference in terms of reuse of that property ultimately is."

Ultimately, the group came to the consensus that no more manufacturing should be done in that area.

"Every bad piece of news always creates an opportunity," Freitag said. "When you think of that site, it is really a nice piece of property and really I think the opportunity for the city at some point is to remake a pretty significant portion of it's waterfront and downtown."

A possibility to help fund that reconstruction is a grant through the Wisconsin Economic Development Administration.

"It's a planning grant. You can get up to \$300,000 and the great part is there's no match required, which is rare," Purdy said. "You can use it to do strategies for boosting your economic region to in the long-term create more jobs, build economic resiliency and get a strategy together for replacing job loss like this. A city can apply, but you really want to be thinking more regionally — like a city and county together — to really kind of pack the punch on that economic strategy."

Purdy explained that the deadline for the grant is rolling, so whenever the community is ready to apply, it can.

"This is a pipeline-type grant," Vanderwalle said. "So the first amount of money is to figure out what you're going to do and what it's going to cost to do it."

Coady said that, were the grant awarded, it would amplify the opportunity at hand.

"I think we have an opportunity to take a step back and envision the next generation of our economy," she said. "You look at the announcements that have happened in the last two years and there's been a lot of transition. You've had some layoffs, but you've also had some

announcements of expansions. So it's really figuring out, how do we continue to build that pipeline to grow more companies and grow more jobs our existing companies?"

Oppermann described the situation as a "once-in-my-grandpa's-lifetime opportunity."

"If we use all the tools and resources, this could be more than a silver lining," he said.

With headquarters in Springdale, Ark., Tyson Foods is one of the world's largest food companies with brands such as Tyson®, Jimmy Dean®, Hillshire Farm®, Sara Lee®, Ball Park®, Wright®, Aidells® and State Fair®. It is a market leader in chicken, beef and pork, as well as prepared foods, including bacon, breakfast sausage, turkey, lunchmeat, hotdogs, pizza crusts and toppings, tortillas and desserts.

Tyson Foods was founded in 1935 by John W. Tyson, whose family has continued to lead the business with his son, Don Tyson, guiding the company for many years and grandson, John H. Tyson, serving as the current chairman of the board of directors. The company currently has approximately 113,000 team members employed at over 400 sites worldwide.