

Jonco Industries

4201 N 27th Street
Milwaukee, WI 53216



FIRE
FIRST-RING INDUSTRIAL REDEVELOPMENT ENTERPRISE
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Project Description

The project involves funding working capital and tenant improvements for Jonco industries related to its expansion into the former Eaton building located in a highly distressed community in the 30th street corridor of Milwaukee's Northwest side. This area has recently seen the loss of roughly 300 jobs when a primary employer (Eaton) left its location on 27th street to occupy new headquarters on the other side of the City. The number of employees that will still work for the Company from this location is unknown at this time. However, what is known is that the loss of this company had a serious affect on the community as a whole. Jonco Industries has developed a plan to retro-fit 7 floors of the property so that it will accommodate its needs and support the tenancy of Northwest-side CDC, Milwaukee Social Development Commission and two floors designed as manufacturing company incubator space.

Thomas Ryan, owner of the existing company, Jonco Industries, has projected that the total number of employees at the new facility will roughly equal the number of positions being lost, 300. Jonco will sustain 100 positions as they transition to the new property; an additional 50 jobs will transfer to the building from existing businesses in the Corridor and it is anticipated that growth in new manufacturing positions both at Jonco and the incubator spaces will be approximately 150 within the first 36 months. Based on internal data, Jonco has estimated wages to average \$20 per hour.

Total Project Costs:	\$10,000,000
NMTC Allocation:	\$10,000,000
FIRE NMTC Allocation:	\$10,000,000
NMTC Investor:	JP Morgan Chase
Closing Date:	

Distress Criteria

- Federally designated Medically Underserved Area
- Non-Metropolitan
- 29.5% poverty rate
- 56% Area Median Income
- 7.3x nat. unemp. rate

Community Impacts

- 150 sustained jobs
- Creation of 150 new manufacturing based permanent jobs

Community Alignment

This project focuses on the provision of quality manufacturing jobs in an area of high unemployment. The area is also a designated Brownfield and a Renewal Community, directly meeting the stated mission of the CDE. The project is in direct alignment with community goals as delineated in the 30th Street Corridor Economic Development Master Plan dated December 2011. The project will also sustain and/or create a significant level (300) jobs which will be accessible to low-income persons and or low-income community residents. This is also in direct alignment with the CDE's specific mission statement. The company has not yet stated whether or not they will work with workforce training and direct placement providers nor has a commitment for a percentage of hard cost contract placements with minority or emerging business been made. However, given the number of skilled manufacturing workers currently unemployed in the area it appears likely that a significant number of local residents will have an opportunity to access the pending jobs. Overall the project appears to be in direct alignment with FIRE's stated mission and goals.