

Plant to bring 140 new jobs

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A large national manufacturer is planning to open a facility in Beloit that could create up to 140 new jobs for the city.

Georgia-based Pratt Industries will construct a 350,000 square-foot plant on 56 acres of land in Beloit's Gateway Business District. The facility will be located along rail tracks between Gateway Boulevard and Turtle Townhall Road (see aerial photograph accompanying this story).

The Beloit City Council and Greater Beloit Economic Development Corporation (GBEDC) are scheduled to gather for a joint meeting on Monday to approve the incentive package offered to Pratt.

Between the city and the Wisconsin Economic Development Corporation, the total incentive package offered to Pratt is worth about \$10.1 million in public funding.

The company manufactures corrugated packaging materials, and is the world's largest privately-held 100 percent recycled paper and packaging company.

"I'm pleased that Pratt Industries — after seriously considering sites in three other Midwest states — has decided to locate the new facility in Wisconsin," said Gov. Scott Walker in a statement released Friday.

"This great news comes one day after new figures show Wisconsin added 16,500 private-sector jobs in November, and companies like Pratt are playing a key role in our state's continued economic success."

The city put in extra work to get the company to agree to build its newest location in Beloit, said Beloit City Manager Larry Arft.



Big business in Beloit

As outlined in yellow, the new Pratt Industries site is planned to occupy 56 acres between Gateway Boulevard and Turtle Townhall Road. The plant is expected to be about 350,000 square feet, and will employ around 140 people.

“Obviously we are very excited that they are coming to Beloit,” Arft said Friday. “Pratt Industries, with the 140 employees, is the largest company in terms of head count to select Beloit in the modern history of the city. We provided a tremendous incentive package. They were doing a four-state search, and we had to be number one.”

Pratt has 50 different locations in the United States and Mexico with 5,000 employees total. The company was founded in 1948, and is a third generation closely held private company.

The company was considering locations in Iowa, Minnesota and Illinois along with Wisconsin, but selected Beloit as its preferred site. Pratt has hired Ohio-based Miller Valentine Group to perform the site evaluation in Beloit, and has subcontracted with Beloit’s R.H. Batterman & Co.

Among the incentives offered to Pratt, the GBEDC is providing \$200,000 in cash as a discretionary grant to the company. Andrew Janke, executive director of the GBEDC, said the grant is from the corporation’s cash reserves.

“We were thinking about using it as a sort of closing fund,” he said. “It helped us close the deal (with Pratt).”

Other incentives from Beloit include 35 percent of property taxes refunded over the next eight years worth about \$1.1 million; about \$1.7 million in land; \$200,000 in tax credits; \$200,000 in wetland mitigation costs; \$350,000 in a matching grant from the Transportation Economic Assistance Program; and \$200,000 in site preparation credit. In total the city and the GBEDC incentive package is about \$5.6 million.

In addition, state government’s development agency is providing \$4.5 million in incentives including about \$2.4 million in jobs tax credits, a \$1.75 million loan and a \$350,000 grant from the Transportation Economic Assistance (TEA) program.

The city still has to apply for the TEA grant, but Arft said he’s confident the grant will be awarded.

“It’s pretty automatic,” Arft said of the grant. “If the TEA has the funding, which they do, and the project is eligible, which it is, the grant is generally awarded. We’ve been in communication with the Department of Transportation, and we’re pretty comfortable that we will get that grant.”

The TEA grant will help build a railroad spur on the property, and the exact dollar amount is tied to the number of jobs created with the company receiving \$5,000 for every new position.

Pratt is expected to spend about \$52 million in construction and equipment costs, and the facility is expected to be fully operational by January 2016. When at capacity, the facility will produce about 600 tons of recycled boxes a day, which is the equivalent of saving 10,000 trees every day, the governor’s office said.

Pratt Chairman Anthony Pratt said in a statement Friday that the announcement was a “memorable day” for the business.

“This plant will be our first ever in the great state of Wisconsin and is a perfect fit with our aggressive growth strategy to increase our manufacturing footprint and capabilities in the Midwest,” Pratt said.

“I’d like to thank Governor Walker as well as officials at the Wisconsin Economic Development Corporation and representatives of both Rock County and the City for Beloit for their can-do attitude and willingness to welcome and work with new businesses.”

He added the facility in Beloit will feature the most advanced technologies in the industry, and be environmentally friendly at the same time. The new plant will use “water reclamation technology” to eventually eliminate all sewer system waste production.