Communities adjust to impending loss of Kewaunee Power Station

KEWAUNEE COUNTY — As the effect of the Kewaunee Power Station closing ripples out from the shore of Lake Michigan into the community, Fat Boyz 2 bar and grill, five miles away in Tisch Mills, will be one of the first businesses to feel the impact.

Manager Ann Bies said Kewaunee and Point Beach Nuclear Plant employees and contractors make up about one-third of Fat Boyz 2’s business. Losing the Kewaunee contingent, including the contract employees who come in every 18 months to work refueling...
outages, will be a blow.

“That was huge,” Bies said.

The initial announcement in October stunned business owners throughout Kewaunee and Manitowoc counties, where most of the plant’s employees live, but in the months since they’ve come to accept the closing and develop strategies for dealing with it.

Or at least be philosophical about it.

“We are trying to draw from everywhere; advertising in the Manitowoc newspaper,” Bies said. “There are things we’ve already started to do differently; a lot of drink specials, all-you-can-eat things. We know people are strapped for money.”

Kunkel’s Korner in Kewaunee and Burdick’s Bar & Grill in Luxemburg are farther from the power station, but they have their share of nuclear plant business as well.

“My best friend is an employee there. They know they are going to have to change their lifestyles,” Brenda Burdick said. “We are the playtime. They have to do the necessities first.”

Mark Kunkel said he believes the loss of refueling contractors will be felt the most. Many of those workers, usually 500 or more, were not area residents. They rented hotel rooms and apartments and ate out or ordered in.

“We get quite a bit (during shutdowns), especially in the early mornings,” Kunkel said. “When Point Beach is shut down, we get 10 to 15 guys we know, probably 30 to 40 guys a day.

“When Kewaunee is down, because it’s closer, we see more than that.”

Point Beach just completed a refueling outage, and Kewaunee will have the equivalent of one around the May 7 shutdown date. After that, it will be about a year before Point Beach shuts down for another refueling.

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It's going to be business as usual for us. We are very much here for the community," Kunkel said. "Our hours are not going to change. Our staffing needs are not going to change immediately."

According to Kewaunee County Economic Development Corp., 260 power plant employees live in Manitowoc County, 221 in Brown County and 142 in Kewaunee County.

Kunkel said about 80 plant employees live in Kewaunee, and Two Rivers City Manager Greg Buckley said more than 90 live in the Two Rivers zip code.

"You're going to see cuts by those families," Kunkel said. "The first things people cut out are things like going out to eat."

A likely increase in houses for sale in the county will not help an already-overstocked inventory. Because the turnover in houses is low — compared to Brown County, for example — statistics can overstate cases. Through the end of March, 27 houses were sold in the county, compared to 40 during the first quarter of 2012. The median sale price dropped from $108,200 to $65,000, but how meaningful that is depends on the quality of the houses sold.

That said, Addie Bernard of Bay Harbor Realty, said homes in the county are undervalued. "You can get the same house here that would cost more in Brown or Door counties."

Any increase in houses on the market because of the shutdown will be gradual, said Bernard and Charles Novak of Novak Agency Inc., Kewaunee.
“There’s still an overhanging supply of homes yet from (the recession), an inventory that still hasn’t moved yet,” Novak said. “But I know a number of people that are here in Kewaunee who will stay here.”

Some bright spots
There is good news in the county. Novak said agribusiness is booming and tourism remains important. Buckley noted business expansion in Two Rivers as well.

“We’ve been through some issues, such as when the car ferry left town, and we’ve had other industries close,” Novak said. “This is obviously one of the most devastating, but I don’t want to make it sound like doom and gloom. There are other opportunities.”

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Kewaunee County Economic Development Corp. is working to develop long- and short-term strategies for improving business in the county. Short-term actions include support for business expansions, such as Agropur dairy in Luxemburg and WS Packaging Group in Algoma, and tourism promotion.

Novak said supporting businesses in the community is the right way to mitigate the impact of the closing.

“Support the things that are doing well,” he said. “Everybody and his brother is trying to attract new business into the area. Agribusiness in this area is booming right now.”

A contingent of economists and economic developers recently traveled to Zion, Ill., to learn from the decommissioning of that nuclear plant, which still is underway.

Jennifer Brown, executive director of KCEDC, said she expected a more forceful reaction from the state.

“When there is an announcement of 650 jobs being lost, I thought there would be a little more of brass bands playing,” she said. “Some of the things that would be helpful would be economic development assistance. I think there needs to be more attention around that and it needs to be driven by them.”

Starting to adjust

Brown credits the Bay Area Workforce Development Board and the state Department of Workforce Development for their efforts to help nuclear plant employees make the transition.
“Some people are starting to get into that mode of ‘OK, what's next for me?’” she said. “Anger is starting to move toward acceptance.”

Matt Valiquette, deputy program operations manager for Bay Area Workforce Development, which is overseeing worker assistance at the plant, said some employees want to stay in the area.

“They understand there are going to have to be compromises, particularly within the area of salary,” he said. “There are some employers that want to tap into that workforce. That's a tremendous talent pool.”

Businesses are adjusting, too.

Bernard said much of Bay Harbor Realty’s business comes from Internet contacts, and she intends to be more aggressive in online marketing.

Burdick’s is fortunate to have a completed remodeling of the building and the menu a couple of years ago and has a largely part-time staff. A family-owned business for 39 years, it will rely on loyal customers to get through this.

Janice and Tony Wiles, who own Tisch Mills Mercantile across the street from Fat Boyz 2, say the plant closing won’t hurt them as much as the closing of a Baylake Bank branch and the reduction of post office hours.

“When the bank went to three days, you could tell it those other two days,” Janice Wiles said. “We’d get maybe two or three sub orders a week from the plant. We’ll miss that.”

For her part, Bies is running with a lean staff and counting on loyal customers, too, including the Point Beach workers and contract employees. Point Beach is only seven miles from Tisch Mills.

“We'll try to figure out a way to weather the storm,” she said. “You can’t afford to not be profitable.”

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