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## Real Estate: Oak Creek has high hopes for redevelopment at Delphi site

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In November, the last workers at the [Delphi](#) plant in Oak Creek turned off the lights and closed the doors for good.

At one time, the plant had 1,450 workers. Delphi, the largest parts supplier for [General Motors Corp.](#), was spun off by GM in 1999. However, Delphi filed for chapter 11 bankruptcy protection in 2005 and closed the Oak Creek plant as part of its restructuring.

Now city officials are waiting to see who purchases the 85-acre Delphi property located southwest of Howell and Drexel avenues.



City officials want to see the 1 million-square-foot vacant Delphi plant torn down and replaced with a mixed-use development, said Doug Seymour, director of community development for Oak Creek. Development of the site should be predominantly retail, but could also include some office space and light industrial space, he said.

“A developer has to come to us with a well thought out plan,” Seymour said. “What we don’t want to see is it parceled off and developed in chunks.”

City officials will require any developer that purchases the property to tear down the existing building, Seymour said. City officials do not want to see the existing facility used for warehousing or distribution, he said.

“The city’s expectations are that the buildings that are there will not exist,” Seymour said.

[Apex Commercial](#) vice president Jeff Horn, who is marketing the property for Delphi, says the city is making a mistake in limiting the potential uses for the site. In addition, part of the Delphi facility has high ceilings, high bays, overhead cranes and rail access, appealing amenities that are difficult to find in an industrial building in the metro Milwaukee area.

“(The city) will not approve any industrial occupancy permits for that (existing) property,” Horn said. “They are very set on what they want.”

Horn says Oak Creek officials are trying to attract high-end retailers, similar to the stores at Bayshore Town Center in Glendale. The Howell Avenue corridor has attracted several retail developments, including a Woodman’s grocery store adjacent to the Delphi plant, but it remains to be seen if the community can attract high-end retailers, especially with the U.S. economy mired in a recession.

“I think these cities need to just let the market come to them a little bit,” Horn said.

Seymour says Oak Creek is not seeking high-end retailers for the property, but he also said city officials will “push” developers to provide a higher level of retail tenant than is typically found in the southern portion of the metro area.

“I think the city is looking to push the market toward the higher end,” Seymour said. The south suburban area has attracted more younger families and more affluent residents in recent years that could help attract higher-end retailers, he said.

“We are going to be pushing any developer to really consider how Oak Creek and the south side of Milwaukee has been changing,” Seymour said. “We don’t want to settle for the standard path of least resistance.”

The Wisconsin Department of Transportation is considering adding an interchange at Interstate 94 and Drexel Avenue, which would help the Delphi property attract development. However, Oak Creek would have to agree to pay \$7.6 million for its share of the costs to build the interchange, and the Common Council so far has refused to pay for a study of the economic impact of the interchange.

Oak Creek has unsuccessfully tried to convince Franklin to provide some funding for the study.

In marketing the Delphi property for sale, Horn says he is talking to several regional developers that are interested in buying it. It will take another year to complete a sale, he said. Add the time it will take to demolish the existing building

and redevelop the property, and the site will not be ready for new tenants for at least two to three years, he said. By then, the economy may have rebounded and retailers may look to expand in Oak Creek.

In August, the Oak Creek Common Council placed a six-month moratorium on rezoning, land division and development of the Delphi property. City officials are waiting to see who buys the property and what they propose, Seymour said.

“Right now, we’re letting the market work through itself,” he said.

Further south on Howell Avenue, another large industrial building is being vacated. St. Louis, Mo.-based Viasystems Group Inc. plans to close its plant at 10001 S. Howell Ave., putting 238 people out of work. The layoffs will be done in phases from Jan. 19 to May 31.

Oak Creek and other areas near General Mitchell International Airport have attracted several speculative industrial developments in recent years that have been slow to fill up. The industrial space vacancy rate in the south submarket has been rising from 6.59 percent in 2005 to 12.46 in 2008, according to John McCardle, senior vice president of [NAI MLG Commercial](#).