



Industrial phoenix - Carlson gives former Allis-Chalmers complex new life [Print This Page](#)

special report: blueprints

About 10 years ago, Richard Carlson bought much of the former Allis-Chalmers manufacturing facility in West Allis, where he had worked for 20 years as a research engineer before the company went bankrupt in 1987. For the first eight years that Carlson owned the building, he used it to provide cold industrial storage space. Then one night, about two years ago, he had an inspiration.

"When I finally had the vision, I got up at about 2:30 one morning and came over here," Carlson said. His big idea was to add a new office building facing Washington Street, which would serve as the focal point and main entry-way into three interconnected buildings in the former Allis-Chalmers complex, which would be converted into office space. "I had been thinking about where (the new building) should go," he said. "I laid a pile of gravel in each corner."

Today, a 44,000-square-foot four-story building sits right about where Carlson plotted it with those piles of gravel. The building is connected to three buildings from the former Allis-Chalmers complex which Carlson's company, Whitnall Summit, is converting into a combination of office space and indoor parking. The redevelopment of the first two Allis-Chalmers buildings will be complete by 2006, which along with the new 44,000-square-foot building will create 450,000 square feet of office space and indoor parking for 100 vehicles.

The third Allis-Chalmers building will be redeveloped into indoor parking and up to 200,000 square feet of office space. That will bring the total office space for Summit Place up to 650,000 square feet. Not everyone shared Carlson's vision for the project early on. "I had to convince lenders that what we had would be valuable," he said. But now the redeveloped industrial facility is filling up quickly with tenants. In the last 14 months, Summit Place has already received signed leases from 26 tenants for more than 170,000 square feet of space. In addition, Whitnall Summit is in final negotiations with prospective tenants for another 37,000 square feet of space, Carlson said.

Recently, Ikon Office Solutions signed a lease for 14,300 square feet of space and will move to Summit Place from the Honey Creek Corporate Center in Milwaukee. In addition, EM Systems recently signed a lease for 2,400 square feet. An engineering firm in the Third Ward is thinking about moving to 8,000 square feet at Summit Place. Two national companies with suburban Milwaukee offices are both thinking about moving to Summit Place, and each would occupy about 35,000 square feet.

Soon, Whitnall Summit expects to receive a commitment from an IT consulting firm, which will be moving to 8,000 square feet at Summit Place from Executive Drive in Brookfield. "In the last two weeks, we have shown a total of over 180,000 square feet of new perspective tenants," said Kyle H. Harmon, vice president of office properties for Siegel-Gallagher and the lead broker for Summit Place. Harmon and Carlson said Summit Place has attracted tenants because of its centralized location, easy freeway access, large amount of contiguous office space on each floor, industrial appearance and affordable lease rates.

Additionally, most workers at Summit Place don't have to drive through the traffic congestion caused by the Marquette Interchange reconstruction to get there. The free parking at Summit Place also is an attraction for tenants. A three-story, 450-space parking garage will be built by the end of the year and will be connected to the Summit Place office complex by a skywalk over Washington Street. "It's been phenomenal (at attracting tenants) compared to the rest of the office market in the metropolitan area," Harmon said. "The building has a lot of things going for it. Location. Class A amenities at a Class B rate. Third Ward loft style office space with free parking. It's a great facility. There's nothing like it."

The Allis-Chalmers complex was built in phases between 1918 and 1941. The building structure is rugged and very strong, Carlson said. The people who work in the restored portions of Summit Place are constantly reminded of its industrial past. Large steel beams, ducts and old bricks are exposed throughout the building. "What we've done is we've tried to leave as much of the old building as we could exposed," Carlson said. "Any place you can leave the old brick exposed, (the tenants) just love it."

The redevelopment project cleaned out the old buildings and built new office space inside the shell of the old factory, Carlson said. The cleanup was one of the biggest challenges of the project. "We spent more money (than expected) on removing old pipes, ducting old electrical and heating systems," Carlson said. "It cost us over \$250,000 to do that."

Many of the old windows in the buildings had to be replaced. "We had to put metal on the (east) side (windows), because they were so rotten, the pigeons were coming in," Carlson said.

The old brick walls, which the Summit Place tenants now enjoy, had to be sand blasted first to eliminate old green factory paint, dust and grime. New elevators were installed in the old brick elevator shafts in the former Allis-Chalmers buildings.

About 168,000 square feet of insert floors were added between the sturdy factory floors. Some of the insert floors were built on old crane rails. The cranes could lift 100 tons, and they slid on the rails up and down the factory floor, carrying heavy materials.

The original factory floors can hold 300 to 450 lbs. per square foot. During the redevelopment project, two inches of concrete was poured on top of the old floors to smooth them out. Whitnall Summit is the general contractor for the project. Creative Business Interiors Inc. of West Allis and Selzer-Ornst Co. of Milwaukee are the construction managers. Renner Architects of Milwaukee is the project's architect. The current tenants have been very patient while construction on the rest of the project continues, said Gary Zimmerman, Jr., president of Creative Business Interiors.

"We're essentially gutting and remodeling an occupied building, sawing, jack-hammering, painting, welding," Zimmerman said. "We have to do all of this in a phased setting and work on weekends, all to accommodate the existing tenants."

Converting a large, old industrial space into a modern office building requires frequent adjustments. "You're constantly encountering situations, code situations," Zimmerman said. "We're constantly working with the idiosyncrasies of the building. The hidden surprises of the building. Everything has been done on the fly with tight time-frames and within the budget. Our assignment has been to establish the budget, maximize the design in the budget and hold the budget so we can be price competitive."

"Every day we make adjustments," Carlson said. "We make changes. It's an organic development of style and type. It isn't like building a new building in Brookfield." One of the major challenges of the redevelopment project was overcoming several building code violations, said Jeffrey Natrop, principal architect for Renner Architects. "The building was constructed by Allis-Chalmers when they were basically their own city," Natrop said. "They did not obtain any permit approvals from anybody. They basically built what they wanted to build. They were a city onto themselves."

The project overcame some of those building code issues by using the state's historic building code, which allows a project to make up for building code shortfalls by exceeding other code requirements. Summit Place has fast-acting sprinkler systems and a state-of-the-art smoke detection system to outweigh building code shortfalls. "I don't think you'll see anything else of this scale in the Midwest," he said. Each of the offices at Summit Place are custom-built to suit the needs of each tenant. None of them will look the same, Carlson said.

One of those tenants is MediaDynamics, which occupies 3,913 square feet. The space has a modern design, and the office has a large glass sculpture behind the receptionist workstation. "Just architecturally, it's a really nice place," said Ron Trilling, a MediaDynamics partner. "There are not many opportunities like this without going to the Third Ward." Alterra Healthcare has one of the most attractive office spaces in Summit Place. Alterra's space is on the third floor, which is the top floor of one of the old Allis-Chalmers buildings. The 44,000-square-foot office has several original skylights, which provide ample natural lighting.

Several vantage points in the upper floors of Summit Place provide views of Froedtert Memorial Lutheran Hospital, the Miller Park roof and the downtown Milwaukee skyline. On a clear day, some offices have a view of Lake Michigan, Carlson said. "By golly, you can see the lake from a West Allis office," he said. "Who would have ever thought that?" The project will add a significant amount of value to the West Allis tax base. Carlson said he paid about \$1.5 million for the three Allis-Chalmers buildings that will be redeveloped for Summit Place.

The projected value of Summit Place, when finished, is over \$50 million, he said. The City of West Allis established a \$4.4 million tax increment financing district earlier this year to assist the project. The total cost to create Summit Place will be about \$40 million to \$45 million, Carlson said. When the project is finished, about 2,000 people will work at Summit Place every day, Carlson said. "We have the attributes of a little Main Street," Carlson said. "We're like a small city."

Richard G. Carlson

President, Whitnall Summit Co.

Education: bachelors and masters degrees in agricultural engineering and Ph.D. in theoretical and applied mechanics, from the University of Illinois

Career:

--Joined Allis-Chalmers in 1967 as a research engineer

--Became general manager of A-C Equipment Services, Inc., subsequent to Chapter 11 filing by Allis-Chalmers in 1987

--became largest shareholder to acquire steam turbine and generator services assets from Allis-Chalmers in 1988.
 --Sold A-C Equipment Services to Siemens of Germany in 1991 and became vice president and general manager of the fossil power division for Siemens Power Corp.
 --Retired from Siemens in 1995 to spend time focusing on real estate developments

Summit Place

Address: 6737 W. Washington St., West Allis
 Web page: www.summitplaceoffices.com
 Size: Up to 650,000 square feet of office space when completed
 General contractor: Whitnall Summit Company
 Construction managers: Creative Business Interiors Inc. and Selzer-Ornst Co.
 Architect: Renner Architects
 Total project cost: \$40 million to \$45 million

Summit Place tenants

Tenant	Square feet leased
A-C Equipment Services	7,000
Adelman Travel Academy	2,404
Alterra Healthcare	44,222
Ameripay Payroll	1,191
Al-Anon	1,364
Asset Management Outsourcing	2,867
Barbizon Model Center	2,608
Blue Chip Retirement	1,678
EMS Systems	2,400
Genesis Behavioral Services	4,671
Ikon Office Solutions	14,300
IMPACT	10,543
MediaDynamics	3,913
Metro Milwaukee Ballet	2,573
Pinkerton C&I	1,214
Pitney Bowers	5,130
Remedy Staffing	1,082
Residential Title Services	9,309
Rupena's Caf}	4,615
Securitas	11,063
Siemens Real Estate	16,960
Silvertrain	7,893
Summit Spa	4,122
TDS Management Group	1,777
Vision Insurance Plan	5,646
Whitnall Summit Co.	2,107

Total	172,652

* Whitnall Summit is in final negotiations for tenants which would occupy another 37,000 square feet.

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