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And! **The factory next door:
Kipp & Schoep's**

Plus! **What it's like to compete for money in a
90-second "Elevator pitch" competition**

And! **A day in the life of a police officer**

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INDUSTRY FOCUS

By Heather Skyler

web exclusive

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The factory next door

Do smokestacks make good neighbors? Who should determine standards? When?

Local manufacturer Madison-Kipp provides 383 local jobs, funnels \$200 million into the community in local sourcing, pays \$200,000 in local taxes and has consistently been in compliance with all required emission and noise standards.

Still, several neighbors remain unhappy with Kipp's presence.

Over the years – mainly the last 15 of the company's 105-year existence – Kipp has been accused of polluting the air,

creating bad smells, and being as noisy as a freeway. One neighborhood association went so far as to file a lawsuit.

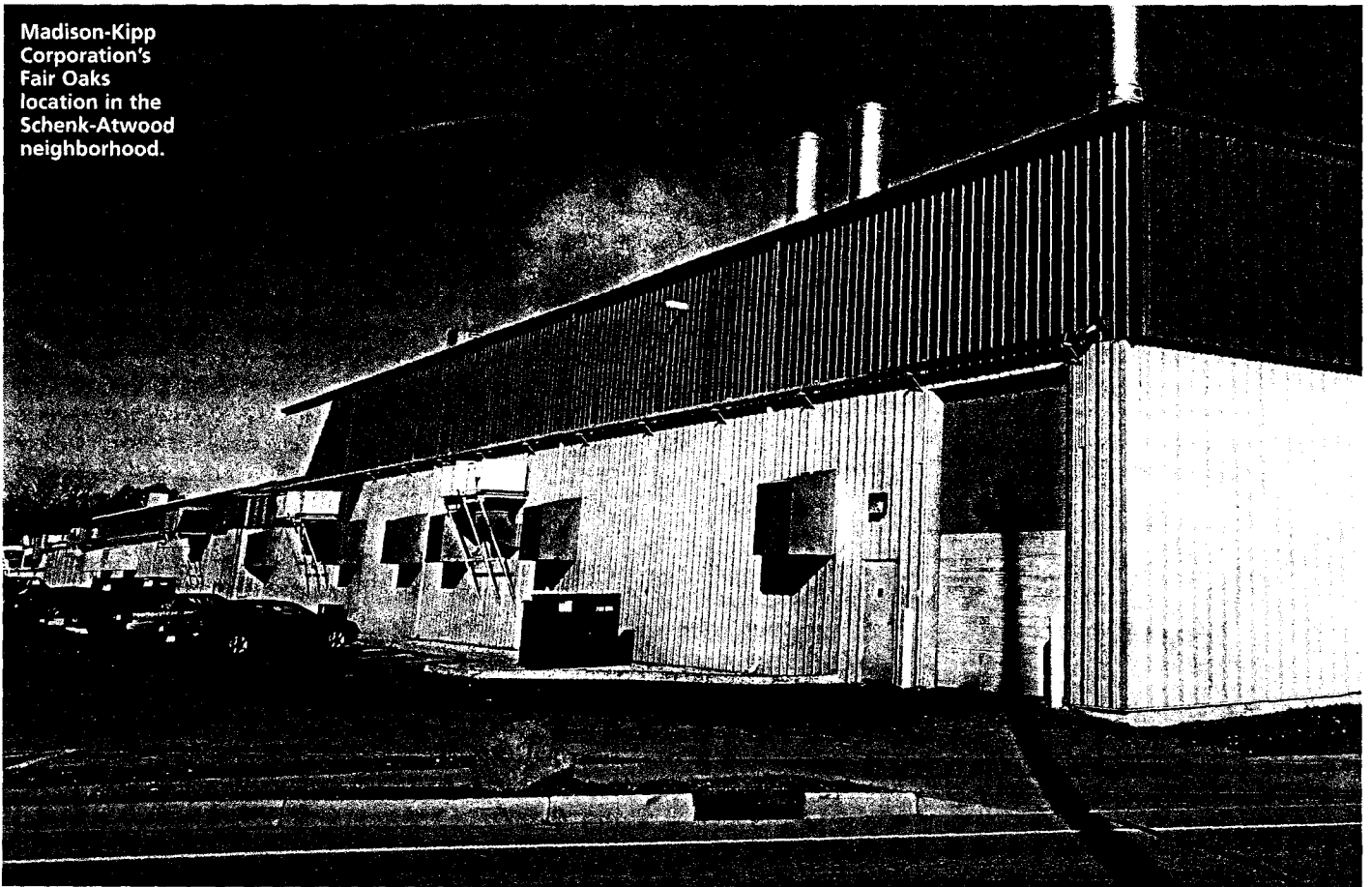
Schoep's Ice Cream is another manufacturing plant located in the heart of a neighborhood. While the company has fared better than Kipp with its neighbors, noise complaints about heavy truck traffic at the factory are standard.

Both Kipp and Schoep's were built in the early 1900s, a time when it was

considered advantageous to locate factories in the middle of neighborhoods. The company could draw its workforce directly from the surrounding neighborhood; the locals could have good-paying jobs and walk to work.

But a push-and-pull situation has developed, a tug of war between the needs and expectations of homeowners, and the realistic cost of doing business for local manufacturers. On top of this, the

Madison-Kipp Corporation's Fair Oaks location in the Schenk-Atwood neighborhood.



neighborhoods have changed dramatically since both factories were built, with many area homes selling for a quarter million dollars or more – a price that naturally increases homeowner expectations.

ARE STANDARDS HIGH ENOUGH?

Clean Air Madison, a group dedicated to “a healthy environment in the Schenk-Atwood neighborhood of Madison” filed a lawsuit against Kipp in 2004 accusing the company of air quality violations and asking that the company’s recently issued air pollution permit be revoked. This permit allowed Kipp to increase its particulate emissions by 62 tons per year above current levels.

The lawsuit was resolved in 2005, when the judge ruled that in order to keep its permit, Kipp must install air quality monitors near its factory. Rather than install the monitors, Kipp gave up its permit and the proposed increase in emissions.

Separate from this lawsuit, neighbors asked the Madison School Board to oppose further air pollution increases at Kipp. As a result, an air pollution monitoring device was placed on the roof of Lowell Elementary School, a couple of blocks from Kipp, to collect data on particulates in the air every few days.

The monitor measured particulate concentrations comparable to those elsewhere in the city.

A year or two later, however, the rules changed on a national level. One result of this change was that Kipp’s roof vents were no longer considered adequate to disperse the company’s die-cast fumes.

In response, Kipp replaced its roof vents with 12 new smokestacks in order to disperse these heavy fumes.

Steven Klafka, member of the Schenk-Atwood neighborhood association and owner of Wingra Engineering, an environmental engineering firm, admits that the fumes have gotten better because of the stacks. “But the noise,” he adds, “has not improved. When Kipp expanded its ventilation system in the mid-1990’s, it would have been much quieter for Kipp to have captured the fumes where they’re generated rather than exhausting the entire factory through roof vents.”

Klafka actually put together cost estimates showing it would be both environmental and economically beneficial to capture the fumes. After an upfront cost, he says, the company would save on energy over the long term. “Neither Kipp or the DNR were interested in pursuing these improvements,” said Klafka.

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Even if, according to Klafka, there is a better way of reducing fumes and smells, Kipp is in compliance.

"We're far under the required emission rates," said Mark Meunier, Madison-Kipp's VP of HR.

The DNR agrees. Tom Roushar, air management program supervisor for the Wisconsin Department of Natural Resources explained, "We are applying the current standard and the company meets all air quality standards. I think we're seeing citizens, for whatever reason, who think these standards aren't adequate."

This is exactly the issue. Klafka said, "Being in compliance with the rules is one thing, but if the rules are inadequate, it doesn't really make a difference. I think a factory located in a densely populated neighborhood needs better pollution control."

NOISE COMPLAINTS

Unlike air quality, which is federally regulated, noise is regulated by city ordinance. Kipp is grandfathered in under the old zoning ordinance for noise production – which is 75 decibels. Any company built 20 years ago or less has to comply with the newer standard of 60

decibels. Michael Gay, office of business resources for the City of Madison said that Kipp consistently comes in at about 55 to 60 decibels, despite the city's less stringent requirements.

Some local neighbors, once again, feel the standards just aren't high enough. A "Noise Report" with precise hourly records of various noises and noise levels kept by a woman living close to Kipp, is circulated to neighbors on a regular basis and filed with the city as a record.

Klafka thinks the noise ordinance is "fairly lax," and said he and a group met with the mayor's office earlier this year, "but we really didn't get any support."

District 6 Alder Marsha Rummel said she's trying to figure out other ways to address the noise issue, and has been working with neighbors and Kipp on the possibility of providing more sound proofing or a fence. "It's kind of vexing, because we don't want them to go away, but we want them to be a good neighbor."

Meunier explained that a wooden fence to block sound would cost the company \$60,000. "It's hard to justify spending that for compliance we're already in," he said.

Noise is also the primary complaint people in the Marquette neighborhood

have about Schoep's Ice Cream. Schoep's new President and CEO, Tim Timm, recently met the the local alder and a group of neighbors about this ongoing issue.

"We try to mitigate the noise as much as possible," said Timm. "We've restructured our parking facility so we can locate trucks another block from the houses. Long range, we'd like to better manage our logistics so we can primarily have flow during the day to our location on Manufacturer's Drive." The company recently hired a new logistics manager.

THE UPSIDE

Both of these longtime Madison companies contribute to the local community. Kipp provides scholarships to MATC, donates to United Way, the Boy Scouts and Gilda's Club. Meunier added, "We loaned money to the Barrymore to help make that space into a theater instead of a porn house. We gave Pasqual's (formerly on Atwood) a loan to start their kitchen."

Schoep's has contributed food and supply trucks to the Goodman Community Center and Kipp has also done what it can to support the new center.

Goodman's executive director Becky Steinhoff said Kipp helped with maintenance of the property before they started building. "We parked vans in one of their lots. They had a food drive for us. Also, any contributions made by Kipp's employees are matched by the company."

"That shows what a civic leader that company is," said Gay. "Even though Kipp has taken its shots from the neighborhood, it remains magnanimous to the neighborhood."

While Steinhoff thinks the handful of concerned neighbors are important, and "play a vital role in keeping the neighborhood safe," she also had many positive things to say about Kipp.

"There are so many pluses to having them as neighbors. They provide good jobs and they keep housing costs down. They've been good neighbors to us. I personally chose to live in this neighborhood because it's mixed use with a diversity of housing and businesses."

Are there positives for the businesses as well? Al Thomsen, VP of national sales at Schoep's, said, "Lots of our employees bike to work. I get to know the neighbors, and folks who pass by are ready to say hello and smile, and I don't know if you find that anymore in a lot of places. It makes you feel a part of something. Out at our other location, it's just four walls and a roof, and not nearly the heartwarming experience is being in the center of a neighborhood."



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