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## Building boom creates worker shortage

**\$5 billion in construction causes scramble for help**

The Business Journal of Milwaukee - March 3, 2006 by [Pete Millard](#)

General contractors and labor unions are bracing for worker shortages in metropolitan Milwaukee due to more than \$5 billion of power plant, hospital and office construction planned over the next several years.

New projects are hitting at the same time contractors are working on the \$800 million rebuilding of the Marquette Interchange in downtown Milwaukee.

The biggest project squeezing into the construction pipeline is the \$2.3 billion coal power plant being built in Oak Creek by **Wisconsin Energy Corp.**, Milwaukee. The project will employ 2,000 construction workers when it is in full swing in 2007 and 2008, said Barry McNulty, a company spokesman.

Added to that is the need for an estimated 800 construction workers for Wisconsin Energy projects in Port Washington and Pleasant Prairie. The utility holding company has more than \$650 million of construction under way with a gas-fired plant in Port Washington and air quality control equipment being added to the coal plant in Pleasant Prairie.

"Nobody is panicking yet, but our labor resources are being stretched," said John Popp, executive director of the **Construction Labor Management Council**, Pewaukee.

During the 2007 and 2008 construction seasons, there could be as many as half a dozen buildings under construction in the Milwaukee area.

Among them:

- [Manpower Inc.](#) will break ground later this year on a \$75 million office complex in Schlitz Park in downtown Milwaukee;
- [Harley-Davidson Inc.](#) will break ground on its \$85 million museum and office complex in mid-2006;
- [Columbia St. Mary's](#) \$500 million building project on Milwaukee's east side and in Mequon is set to ramp up this year and in 2007; and
- A \$200 million mixed-use condominium and hotel project at 401 W. Wisconsin Avenue has been proposed by [The Ghazi Co.](#), Charlotte, N.C.

Smaller projects

A handful of smaller projects in downtown Milwaukee that include converting old warehouses and industrial buildings to condominiums and retail space also will put pressure on skilled labor, said Popp.

The Construction Labor Management Council is collaborating with the **Milwaukee Building & Construction Trades Council**, the **Allied Construction Employers Association** and the Associated General Contractors of Wisconsin to bolster the ranks of the union trades, said Popp.

"It's a good problem to have," he said.

The most effective way to solve the labor problem is for the contractors and union groups to recruit more young workers to fill apprenticeships, said Lyle Balistreri, president of the trade council.

Popp expects union tradesmen from throughout Wisconsin and northern Illinois to work at the Wisconsin Energy projects and other major construction sites.

**Bechtel Corp.**, San Francisco, is the construction management firm handling more than 80 percent of the contracts at Wisconsin Energy's Oak Creek project. The company is recruiting and hiring Milwaukee-area union operating engineers, laborers, plumbers, pipefitters and electricians, said Balistreri.

Bechtel recently hired 24 union contractors and their 200 employees to handle the excavation of 4

million cubic yards at the Oak Creek construction site.

**Washington Group**, which is Wisconsin Energy's construction management firm, has hired 46 contractors to complete work on the Pleasant Prairie power plant.

Work opportunities

While Bechtel is administering 80 percent of the work at the Oak Creek project with local union workers, the company is hiring local contractors for 20 percent of the job worth more than \$400 million.

Local contractors had hoped more than 20 percent of the Oak Creek project would go to subcontractors, said Ed Hayden, executive director of the Allied Construction Employers Association, Brookfield.

At the same time local contractors are bemoaning the small percentage of the Oak Creek work available to them, they are concerned there will not be enough skilled tradesmen for other projects coming on line, said Hayden.

For example, the Columbia St. Mary's projects will demand more than 500 workers.

"Ramping up apprenticeship programs is a high priority," he said.

The Allied Construction Employers Association also expects "boomers," or the union iron workers and millwrights who follow large construction management firms from job to job nationwide, will fill many construction job slots.

To further complicate contractors' lives, Popp said up to 10 percent of the aging union journeymen in many trades will be retiring over the next five years.

"The time to mobilize is now if we hope to develop our skilled work force," he said.

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