

Beloit Ironworks a launchpad for tech jobs

By [Neil Johnson](#)

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BELOIT—When Beloit Corp. closed its doors in 1999, the hulking foundry on Third Street in the heart of downtown was sealed up like a massive, 750,000-square-foot cocoon.

Years later, when a group of property redevelopers led by Beloit business moguls Diane and Ken Hendricks was exploring the massive papermaking machine factory, they found a small engineering office sealed off.

On a desk inside the room sat an unrolled set of blueprints next to an unfinished cup of coffee. On a chalkboard was a scrawled message, probably written by the last worker in the room the day the plant closed.

It read: “The fat lady has sung.”

But the fat lady never actually sang at the defunct foundry. Or if she did, she's now singing another tune.

The Ironworks facility, owned since 2012 through Diane Hendricks' development company, Hendricks Commercial Properties, is now humming with new commercial operations and ongoing redevelopment.

More than half of the former foundry, which at one time employed about 2,000 people, has been renovated thanks to a \$30 million redevelopment project. And it has become something new: a hub for more than a dozen high-tech startups.

Three of the newer companies in the Ironworks—Comply365, FatWallet.com and Acculynx—are fast-growing tech firms whose clients range from multinational airlines to major retailers.

Another company, Universal Acoustic and Emission Technologies, which moved into the Ironworks in 2012, now employs up to 150 workers. It uses about 100,000 square feet of space to build specialized sound-deadened emissions equipment for industrial facilities.

The Ironworks' new life has begun to transform Beloit's downtown from a center of manufacturing to a garden of venture capital dreams that have taken root and are now budding.

Rob Gerbitz, CEO of Hendricks Commercial Properties, calls the transformation of the old foundry space a “daily archeological find.” It's an exhumation and revival that's been ongoing since 2002, in the months after Hendricks and her late husband, Ken, teamed up with a group of investors and bought the 24-acre site.

“It's not an overstatement to say Beloit and its downtown could have slipped into an abyss after the Beloit Corporation closed. The lights go out in 1999 on a Friday night and never come back on, and if nobody steps in, you're probably really in trouble,” Gerbitz said. “Quite frankly, we believe the redevelopment of the Ironworks, and the employment that continues to bring, is the future of the city of Beloit.”

WROUGHT IRON

The Ironworks is a hive of employment that brings 600 to 700 workers a day into Beloit's historic city center, Gerbitz estimated. The facility, parts of which date back to the brick-and-mortar 1860s, has become a network of urban-modern studio space, open-floor offices with heavy steel and wood lofts that weave contemporary architecture into the hard, industrial backbone of the building.

It looks more like commercial space in London or New York, except that it's set in small-town Wisconsin:

Beloit, population 37,000.

The whole complex sprawls out over more than three dozen buildings stitched together between Third Street and the white-stone riprapped Rock River. Inside and outside the buildings, even in spaces not yet occupied, contractors bustle on build-outs that signal more development to come.

In 2017, the Ironworks will house a new downtown YMCA, which is being built inside 80,000 square feet of former factory space donated by Hendricks. Other spaces alongside built-out office suites continue a forward march toward being refit and rehabbed for future commercial tenants.

Outside, a refitted shipping lane known as Spine Road has been renamed Irontek Drive, a tip of the cap to Irontek, which is a new co-working space and incubator-accelerator inside Ironworks. It's designed as a launchpad for startup technology firms that could take off in Ironworks.

TECH TAKES OFF

Tech-based companies have become the backbone of Ironworks, and one company, former Roscoe, Illinois, software firm Comply365, has become a vital part of that spine.

Kerry Frank, CEO and co-founder of Comply365, was looking for space to grow her Illinois company after it graduated from a home basement startup and moved into a Roscoe industrial space. The Roscoe building's owner decided not to renew the lease, Frank indicated.

In 2012, Comply365 was the first of several tech firms to move to the Ironworks. The move came after Gov. Scott Walker personally contacted Frank, asking her to consider Wisconsin as her company's new home. Beloit and Rock County economic development leaders and the Hendricks group joined the governor as suitors for Frank's company, she said.

"It took me off-guard, the experience of being sought out by a community," Frank said. "When you're building up a business, you're not expecting that. To have a community and even a state say they want you, that you're welcome, that trumps anything about incentives, tax credits or other things."

The company has grown while in Beloit. It moved into Ironworks with just over a dozen employees, and since then has grown to more than 70 employees—most of whom work out of the company's Ironworks space.

The dozens of clients for whom Comply365 develops checklist software includes 10 Fortune 500 companies.

Comply365's digs are like a kid's daydream of a workplace. It has a large, open floor that overlooks downtown and chill-out space aplenty. The company's coders and marketing staffers have huge LEGO-style blocks, beanbag chairs and ping pong tables—one of which has a dry-erase surface that workers can scrawl on to hash out ideas while they play.

Online deal-hunting website FatWallet.com houses its Midwest operations in the Ironworks, along with operations for its online sister company, Ebates and Ebates Canada, and its parent company, the Japanese-owned tech firm Rakuten.

In 2011, FatWallet moved from its digs in Rockton, Ill. to Beloit after tax changes in Illinois threatened its online business model. Early this year, it moved into the Ironworks building.

"Part of the selling point is that as we're trying to recruit top talent, we can tell people you can have a real prospect at a top job in a place where you can actually afford to live. We've had people move here from our California offices to get that," said FatWallet media relations expert Brent Shelton, who works at the company's Irontek location.

PATTERN FOR THE FUTURE

Jim Spelman operates Jim Spelman Visuals, a small photography design and art studio, in the Ironworks. He moved here from Rockford, Illinois, about a year ago.

Spelman had done image and design work for Hendricks' firms in the past. Now, as a tenant in the Ironworks, he does commission work refitting and rehabbing thousands of wood patterns leftover inside the former foundry.

Spelman uses the patterns to assemble large murals that adorn Ironworks inside and out. Each mural can take months of work, he said.

Spelman's company is small compared to some of the others in the Ironworks.

But Ironworks' developers are now gearing redevelopment, in part through the Irontek incubator, to try to foster small companies through startup and into growth mode.

Irontek has launched a mentoring program, Irontek U, that matches students with local software and tech companies. That's an attempt to cultivate and keep local talent, said Erin Clausen, Irontek's community manager.

During a recent tour of the Ironworks, Clausen told the tale of the Ironworks redevelopers discovering the phantom coffee cup and "fat lady has sung" message in chalk.

"It's eerie the way you feel the history in this place. But the combination of that, all that's been here, and what's now coming, it's so energizing," Clausen said.

Hendricks Commercial Properties eventually hopes to house 25 or 30 businesses of different types, many of them smaller companies. Gerbitz said the idea is that there is space and potential for small companies to grow at the Ironworks.

"It's easy to get distracted by the idea that you've got this big former industrial space, and that must mean you've got to find big industrial reuses that bring in 200 or 300 new jobs at a time," Gerbitz said.

"What's more important maybe isn't the size of the company, but the unknown. It's about what might start small but we know can grow here. That's what inspires the whole project. It's what Beloit is now becoming, and what it can be."