

Granite City mayor expresses shock over announcement to idle Granite City Works

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The announcement of the temporary idling of Granite City Works by U.S. Steel sent a shock to Granite City Mayor Ed Hagnauer on Wednesday.

Hagnauer said he was driving to work when he received a call from U.S. Steel that the temporary shutdown was going to happen.

“It was kind of a kick in the pants,” he said. “We hadn’t heard anything about it. When they called they said we wanted you to know before we told the employees.”

Hagnauer said his first response was, “are you kidding?” He said it’s disappointing because things in Granite City were moving in the right direction.

“Now we have families and workers we have to be concerned about getting employment,” said Hagnauer.

The first concern now for the Granite City mayor will be the families and then he said they will move from there.

“U.S. Steel had been investing quite a bit in the mill and everything seemed to be going OK,” he said. “I wasn’t expecting this news today.”

The mayor said the city receives property tax directly from the mill, but his other concern is money spent by those who live outside Granite City who are there to work.

“In a survey in 2008, it said we have 61 percent of the workers at the mill who live outside Granite City,” he said. “The biggest impact is on our restaurants, retail sales, Quick Trips, Walmart, Lowe’s, Schnuck’s and Shop ‘N Save types of businesses. The workers always stop and buy gas, tea, coffee and other items on their way to and from work. There won’t be any reason for them to drive to Granite to do those kinds of things anymore.”

He said if you multiple \$2 to \$3 to \$4 a day times 1,400 it adds up to a considerable amount of loss of revenue in the city.

The mayor said he had received calls from several representatives and senators today about their concerns and what could be done to help. The mill itself keeps everything tight-lipped, Hagnauer said.

“We do have communications with them every few weeks,” he said. “It all falls back on the market. If the market recovers, they will stay open and if they don’t, in 60 days they will start shutting things down as they go.”

Fuel prices have had an effect on steel work, the mayor said.

“We make tubular steel here and because of the abundance of fuel, people aren’t building pipelines or drilling for oil with the kind of steel we make,” he said.

The mayor pointed out that with an influx of businesses, Granite City has tried to diversify its workforce.

“Hopefully this is a bump in the road and it will straighten itself out,” he said.

