

DOWNTOWN MILWAUKEE 2016 MARKET PROFILE



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Summer 2016



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June 2016

Downtown Milwaukee Market Profile Users:

Milwaukee Downtown, Business Improvement District #21 (BID #21) recently contracted with Progressive Urban Management Associates (P.U.M.A.) to conduct a market profile update for Downtown Milwaukee.

Downtown Milwaukee is experiencing a rapid renaissance with billions of dollars of investment underway that is transforming the City into a strong engine for a world-class region. Downtown Milwaukee is well positioned to leverage this investment and set the stage for continued growth downtown, into surrounding neighborhoods, and beyond.

Serving as a go-to resource for the business, development, and brokerage communities as well as for city officials and various associations, accurate and current market data is a top priority of our organization to assist these parties in their daily efforts of “selling” Milwaukee. This initiative also allows us to analyze current global trends that are impacting downtowns and compare Downtown Milwaukee to other peer and aspirational cities to better understand how we are tracking across various indicators.

We are continually enlightened by this process as it validates Downtown Milwaukee as a proven leader in many categories. The following market profile provides essential demographic data points such as number of residents, employees, and visitors in downtown. The profile also tracks the status of the office, residential, retail, and hospitality industries as well as several other important indicators.

At no other point in modern history have global trends favored downtowns and cities as they do today. Downtown Milwaukee is poised to take advantage of this momentum and leverage it to retain and attract businesses, residents, and visitors alike.

It is our intent to utilize this information to further elevate the visibility of downtown Milwaukee as a great place to live, work, and invest. Thank you to the BID #21 Board of Directors for their ongoing vision and support. In addition, thank you to the many public and private sector leaders who assisted in this process and for your continual work in making Downtown Milwaukee the heart of a world-class region.

Sincerely,

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Matt Dorner
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Joseph G. Ullrich
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DOWNTOWN

CASE STATEMENT AND EXECUTIVE SUMMARY

Case Statement

Downtown Milwaukee is the economic, cultural, educational, and social hub of Southeastern Wisconsin. Since 2005, over \$3 billion in private and public projects have been completed and approximately \$2 billion of more investment is currently under construction, re-establishing Downtown as the vibrant center of commerce for the region. Downtown Milwaukee also plays a critical role as the State's portal to the rest of the nation and abroad, making its continued development all that more important.

Downtown Milwaukee is home to more than 26,000 residents, approximately 83,500 workers, thousands of small and large businesses, and world-renowned cultural and entertainment assets that welcome more than 6 million annual visitors. By any metric highlighted throughout the following market profile, the incredible importance of Downtown Milwaukee to the City, Region, and State is reinforced.

One of the clearest measures to show the importance of Downtown to the larger community is an analysis of the property tax base. On less than 3 percent of the City of Milwaukee's total land area, Downtown generates nearly 18 percent of the City's total property tax base. This property value concentration exemplifies the important role that Downtown plays in providing a strong tax base to support the necessary fire, police, educational, and social services for the entire City of Milwaukee. Downtown's contribution to the City is felt well beyond the borders of Downtown, providing economic output, opportunities, and tax revenue that lifts neighborhoods throughout the City.

In order to have a strong and healthy city and region, it starts with a vibrant downtown. Just as Downtown Milwaukee continues to strengthen, there is investment that radiates into the surrounding neighborhoods like Walker's Point, Near West Side, and the near north side communities.

At no other time in modern history have global trends so strongly favored downtowns and Milwaukee is seeing the positive impacts of several converging trends. The urban residential renaissance, desire for multi-modal mobility and stronger neighborhood connectivity, workforce changes, and a growing consciousness of creating social equity and sustainability are all global trends that are spurring transformational growth in Downtown Milwaukee. Whether it is new hotels or office towers like Northwestern Mutual's headquarters, thousands of new multi-family units, the new arena district, or transportation investments like the Milwaukee Streetcar, the BublR Bike system expansion, or the proposed bus-rapid transit, Downtown Milwaukee is demonstrating its unparalleled significance in the success and in how the entire region and State are perceived.

Downtown Milwaukee is the City's single most important economic resource, not just in terms of revenue generation, but as a place where Milwaukee citizens live, work, and socialize. From a regional perspective, Downtown Milwaukee is a cultural and entrainment hub attracting millions of visitors every year and is a major source of jobs and tax revenue for the State and surrounding communities. Milwaukee is a city that takes pride in its neighborhoods and Downtown is everyone's neighborhood.

Executive Summary

Milwaukee Downtown, Business Improvement District #21 (BID #21) contracted with Progressive Urban Management Associates (P.U.M.A.) to conduct a market profile update for Downtown Milwaukee.

Serving as a go-to resource for the business, development, and brokerage communities as well as for city officials and various associations, accurate and current market data is a top priority of Milwaukee Downtown, BID #21 to assist these parties in their daily efforts of “selling” Milwaukee.

The following market profile provides essential demographic data points such as number of residents, employees, and visitors in Downtown. The profile also tracks the status of the office, residential, retail, and hospitality industries as well as several other important indicators.

It is our intent to utilize this information to further elevate the visibility of Downtown Milwaukee as a great place to live, work, and invest. Organized by the main sections of the market profile, the following Executive Summary contains many of the main points from the updated market profile.

Demographics

Downtown’s population is approximately 4.3% of the total City population and is continuing to grow as new residential units are being added to the Downtown housing stock. Following are a sample of key demographic statistics that are further highlighted in the market profile:

- Nearly 26,000 people live Downtown.
- Downtown grew at a faster rate than the City and Region between 2010 and 2014.
- Downtown households have a 29% higher median income than citywide households.
- The 2,196 recently completed and under-construction units could add 4,800 residents to the greater Downtown area.

Housing

Downtown Milwaukee housing is primarily made up of multi-family rental units and is in the midst of a wide and rapid growth period that is being driven largely by Millennials and Baby Boomers. Following are a sample of key housing statistics that are further highlighted in the market profile:

- There were 13,000 Downtown housing units in 2010 and it is anticipated there will be over 20,000 units by 2020.
- Downtown has an “Extremely High Live-Work Quotient” with 31% of workers living in or within a mile of Downtown.
- In the last year, Downtown accounted for 18% of the citywide total number of multifamily sales and 40% of the citywide sold volume, while it only represents 2.8% of the City’s land mass.
- Over the last three years, the average sales price has increased 21% for single-family and 11% for multi-family units in Downtown.
- As of May 2016, there were nearly 2,200 new multi-family units under construction or completed this year so far.

- Since the beginning of 2015, over 1,100 residential units have been created or are under construction by adaptively reusing former office space.

Employment

Downtown Milwaukee is the economic hub of Southeastern Wisconsin, containing the highest concentration of jobs, major corporate and local government headquarters, and a range of service jobs that support visitors, residents, and workers. Following are a sample of key employment points that are further highlighted in the market profile:

- Approximately 83,500 employees work in Downtown Milwaukee.
- Downtown has “extremely high” job density, with 112 total jobs per acre, ranking 18th nationally amongst primary downtowns.
- Nearly half of all Downtown employees work in Finance and Insurance, Public Administration, and Professional, Scientific, and Technical Services.
- The percentage of white collar jobs is increasing and is up to 59% of all jobs in Downtown.
- The number of people working in the FIRE industry cluster (Finance, Insurance, and Real Estate) has increased since 2000 to almost 19,000 in Downtown. This is expected to continue to grow with major companies expanding their Downtown presence in the next few years.

Office

As of the first quarter of 2016, the total central business district office market inventory increased by more than 600,000 square feet to 11.9 million square feet when compared to the 2012 inventory.

Following are a sample of important office statistics that are further highlighted in the market profile:

- Downtown office vacancy rates have decreased to 17% over the last five years during a time period when net new supply was added to the market.
- The Downtown office market consists of a higher proportion of Class A space than in 2012.
- Many changes in the market are due to the conversion of underused Class B and C office space to other uses.
- Downtown East (of the Milwaukee River) remains the healthiest office market, with the largest inventory, greatest proportion of Class A space, and the highest lease rates.
- Two major office developments are dramatically changing the office landscape in Downtown – the recently opened 833 East Michigan tower, and the under construction Northwestern Mutual headquarters.

Retail

The retail market inventory has remained steady over the last five years, while seeing substantial lease rate increases during the same time period, from \$12.71 NNN/SF in the first quarter of 2012 to \$17.72 NNN/SF in the first quarter of 2016. During this same time period, vacancy rates have steadily decreased, from 8.5% to 5.4%. Following are a few additional retail points that are further highlighted in the market profile:

- In Downtown over the last five years, retail lease rates have increased substantially while vacancy rates have steadily decreased.
- Eating and drinking places make up nearly half of all existing Downtown retail.

Mobility and Connectivity

Mobility and connectivity was the most frequently discussed topic throughout the focus groups that were held to gather input for the market profile update. Participants emphasized the need to improve mobility within Downtown and connectivity between activity hubs, something that is made challenging given Downtown's large footprint. Following are a sample of key mobility and connectivity items that are further highlighted in the market profile:

- There are several efforts underway Downtown that are designed to establish a more balanced, multimodal system including the initial Milwaukee Streetcar route and planned extensions, potential realignment of existing bus routes, adding bus rapid transit, and the ongoing development of Bublr Bikes, the city's bike-share program.
- The Milwaukee Streetcar is expected to improve mobility both directly, by providing rides between otherwise disconnected nodes of activity; and indirectly, by encouraging new development and density along its route leading to a more walkable, cohesive urban environment.

Hospitality and Tourism

The hospitality, convention, and tourism industries are an important component of the Downtown Milwaukee economy. A critical indicator of Downtown's health is the ability to accommodate and attract events, conventions, and leisure travelers. Following are a sample of key hospitality and tourism statistics that are further highlighted in the market profile:

- In 2015, total tourism employment accounted for 31,000 full-time employees and more than \$1.1 billion in labor income¹.
- Milwaukee County tourism sales accounted for \$3.3 billion in total business sales that generated \$223 million in state and local taxes. Much of this activity is concentrated in Downtown.
- Since 2007, convention attendance has increased 150% and room nights have increased 18%.
- From 2008 to 2016, the number of hotel rooms in the greater Downtown area will have grown from 3,125 to 4,501.
- There are multiple hotels either recently completed or under construction in Downtown Milwaukee, including some that are adaptively reusing former commercial buildings.

¹ Visit Milwaukee 2015 Annual Report

Arts, Culture, and Entertainment

Downtown Milwaukee is a regional destination for the performing arts, festivals, sporting events, and cultural attractions. Following are a sample of key arts, culture, and entertainment points that are further highlighted in the market profile:

- Major Downtown cultural attractions account for more than six million annual visitors.
- Several other major attractions near Downtown bring in nearly 12 million annual visitors.
- The new Bucks arena – a catalytic project for Downtown as a whole –began construction in June 2016 and is expected to be open for Bucks games in 2018.

Education

Downtown Milwaukee and its nearby neighborhoods are home to public and private four year and two year universities and colleges that have an enrollment of more than 67,000 students. Students in Downtown are an important part of the local economy. Many students rent on and off-campus apartments and are partly responsible for the strong Downtown residential market. Students are also active socially, supporting local retailers, nighttime economy establishments, and attending festivals and cultural events. They are also a major piece of the future workforce for Downtown and surrounding area companies. Following are a sample of key education related points that are further highlighted in the market profile:

- There are more than 67,000 students enrolled in universities and colleges in Downtown and its nearby neighborhoods.
- Marquette University's Athletic Performance Research Center will be a major investment to the east of I-43 better connecting the main university with the rest of Downtown.

Nighttime Economy

A strong nighttime economy and entertainment offerings are an important consideration when people are choosing where to live, especially younger generations. In a 2015 survey of Millennials living in southeastern Wisconsin, 60% of respondents cite the variety of entertainment and nightlife as important in considering whether to live in the city.² Following are a sample of key nighttime economy statistics that are further highlighted in the market profile:

- There are nearly 300 food and drink businesses in Downtown.
- Based on local surveying, there are an estimated \$240 million in annual sales, over 15 million annual patrons, and nearly 6,000 total full and part-time employees at Downtown nighttime economy establishments.

² Public Policy Forum, "My Generation: Surveying the Views of Millennials in Metro Milwaukee"

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1. INTRODUCTION

Background

Downtown Milwaukee is the economic, cultural, educational, and social hub of Southeastern Wisconsin. Since 2005, over \$3 billion in private and public projects have been completed and approximately \$2 billion of more investment is currently under construction, re-establishing Downtown as a vibrant center of commerce. Downtown plays a critical role as the State's portal to the rest of the nation and abroad, making its continued development all that more important. With this in mind, maintaining a current and accurate profile of the Downtown Milwaukee marketplace is imperative.

The *Downtown Milwaukee 2016 Market Profile* is an update to a similar report completed in 2012. Over the four year period since 2012, Downtown Milwaukee has seen hundreds of millions of dollars of completed private and public sector investment and billions of dollars more are either under construction or about to break ground. Significant highlights in the past few years include:

- Thousands of new housing units in the greater Downtown area,
- Rapidly emerging Downtown and near-Downtown neighborhoods like The Brewery, Westtown, and The North End,
- Significant new office development,
- Major transformative projects winning approval and beginning construction such as The Milwaukee Streetcar and the Arena District, and
- The relocation and expansion of businesses in Downtown.

With so many changes to Downtown and billions of dollars of projects under construction and more that are about to start, the 2012 profile has quickly become outdated. The following update provides Downtown stakeholders with current and accurate information in understanding Downtown Milwaukee's current economic climate.

Data for this Market Profile was compiled using sources such as the US Census Bureau, ESRI's Business Analyst Online¹, Milwaukee Downtown BID #21, and City of Milwaukee data and past reports. Additionally, focus groups were held with key Downtown stakeholders that informed the Market Profile and provided context for the various data collected. Throughout the profile different geographies are used to compare to Downtown Milwaukee. Regional comparisons include the City of Milwaukee and the Milwaukee 7 Region. Peer cities include Cincinnati, Cleveland, Indianapolis, Kansas City, Pittsburgh, and St. Louis. These were selected based on metro population similarities and proximity.

¹ESRI is the widely-used, industry leader in Geographic Information System software (GIS), and utilizes credible data sources to perform analyses on custom geographies.

IN THIS DOCUMENT:

INTRODUCTION

A who, what, why, and how introduction to this Market Profile update

GLOBAL TRENDS

An overview of the top trends affecting Downtown Milwaukee, based on P.U.M.A.'s award-winning Global Trends research and data analysis conducted for this profile

SECTOR ASSESSMENTS

Assessments of each market sector impacting Downtown Milwaukee. These include:

- Demographics
- Housing
- Employment
- Office
- Retail
- Mobility and Connectivity
- Hospitality and Tourism
- Arts, Culture, and Entertainment
- Education
- Nighttime Economy

APPENDIX

Supplementary tables and charts are available in an appendix

The Market Profile includes the following chapters: (1) global trends impacting Downtown Milwaukee, (2) demographics, (3) housing, (4) employment, (5) office, (6) retail, (7) mobility and connectivity, (8) hospitality and tourism, (9) arts, culture, and entertainment, (10) education, and (11) nighttime economy.

P.U.M.A. has been tracking and reporting on global trends affecting downtowns for the last ten years and applying that knowledge to specific cities. The next chapter summarizes the trends that are most relevant to Downtown Milwaukee right now.

Milwaukee Downtown BID #21

The Milwaukee Downtown Business Improvement District was established in 1998 through private sector leadership. Over 400 property owners within the 150-block area in the center of downtown assess themselves annually to fund specific programs and projects through initiatives aimed at creating a clean, safe, friendly, and economically viable downtown. The boundaries of the 1.1-square mile district are 10th Street on the west, Lake Michigan on the east, Schlitz Park on the north and St. Paul Avenue on the south.



Milwaukee Downtown BID #21 Boundaries

Downtown Milwaukee Study Area

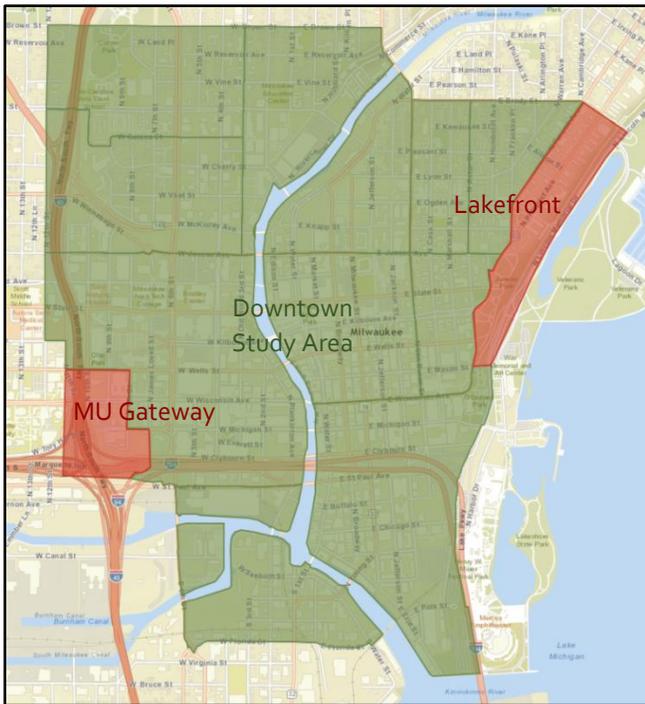
The Downtown Study Area is made up of ten Census tracts (110, 111, 113, 114, 141, 143, 144, 1860, 1863, and 1874), which best approximates the boundaries of the greater Downtown area and is consistent with the Study Area boundary used in the 2012 Market Profile. The Downtown Study Area is illustrated in green on the following map. The boundaries are roughly Lake Michigan to the east, Brady Street and Brown Street to the north, Interstate 43 to the west, and Florida Street to the south. BID #21 is fully included within this area.

Where available, data was pulled for two custom-made areas that do not align with complete Census tract boundaries – the *Marquette University Gateway* (as it's named in this Market Profile) and *Lakefront* districts, both illustrated in red in the map below. Although they were not included in the 2012 Profile, geographic positioning relative to natural features like the Milwaukee River and Lake Michigan and major highway infrastructure make these two areas natural components of the Downtown market area and therefore are included in sections of this update.

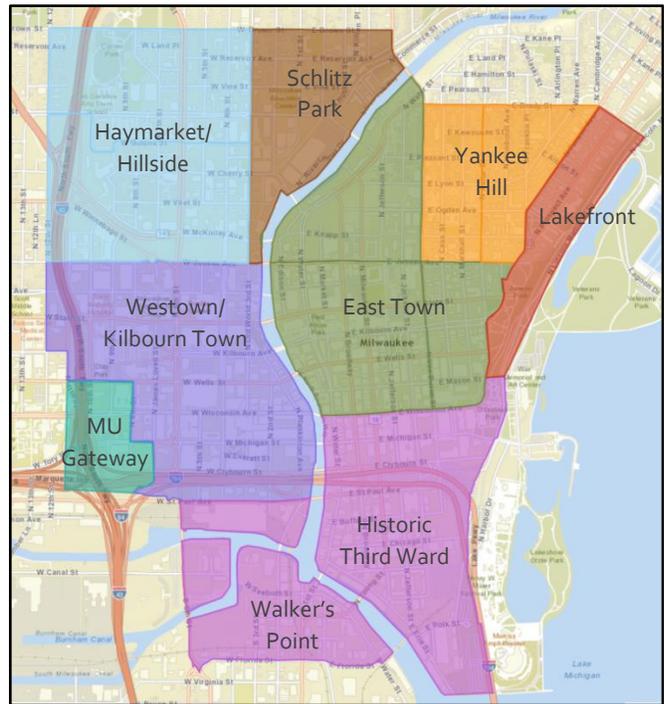
It must also be noted that the reference to “Downtown” may geographically change between various chapters based on how the given industry defines Downtown. For example, data sources for the residential and office sectors have slightly different boundaries for defining Downtown.

Downtown Milwaukee Traditional Neighborhoods

The Study Area contains eight traditional neighborhoods that fall within its boundaries: East Town/Juneau Town, Yankee Hill, Schlitz Park, Haymarket, Hillside (portion), Westtown/Kilbourn Town, the Historic Third Ward, and the northern portion of Walker’s Point. For the purposes of this Market Profile, Haymarket and the Downtown portion of Hillside have been combined and analyzed together as one neighborhood.



Downtown Study Area map



Downtown Neighborhoods map

Focus Group Themes

Stakeholder focus groups were held in February 2016. The different focus group topics included: 1) Residential and Quality of Life; 2) Office; 3) Retail; 4) Arts, Culture, Events, and Placemaking; 5) Downtown Leadership; 6) Hospitality; 7) Nighttime Economy; and 8) Innovation. In total over 100 stakeholders participated. Attendees were asked to identify current opportunities and challenges, and improvements needed in Downtown Milwaukee over the next five years.

Common themes for opportunities and challenges included:

Opportunities	Challenges
<ul style="list-style-type: none"> Residential growth New Bucks arena New streetcar Growing bike-share program Growing university presence (MU and UWM) Increase in density Water – lake, river, and water technology Downtown momentum 	<ul style="list-style-type: none"> Connectivity Car-dependency Lack of street vitality in areas Government complacency Segregation and growing inequity Lack of ability to book more conventions Unclear Downtown identity and vision Gaps without momentum or development

Common themes for Downtown improvements that are needed included (in order):

1. Improve mobility and connectivity
2. Develop leadership and a better civic attitude
3. Convention Center enhancements
4. Continue to develop Downtown as a true neighborhood
5. Improve the perception of safety

Downtown's Value Proposition

In 2016, the 96.8 square mile City of Milwaukee had a total assessed property value of nearly \$27 billion; of which, more than \$2.36 billion or 9.7% was derived from the 1.1 square mile Milwaukee Downtown, BID #21 boundary. An even larger percentage, approximately 18% of the City's 2016 assessed property value came from the 2.7 square mile demarcation of the Downtown market study area featured in this market profile. The BID #21 and Downtown study area percentages of the City of Milwaukee's total assessed value increase by 1.2% and 2.5% respectively between 2010 and 2016 signifying a continued growth in property value base concentration in the downtown area.

Assessed Property Value Analysis: BID #21, Downtown Study Area, and City of Milwaukee

	BID #21	Downtown Study Area	Citywide
Square Miles	1.1	2.7	96.8
2010 Assessed Value	\$2,302,328,010	\$4,140,747,361	\$26,966,273,220
2016 Assessed Value	\$2,362,513,950	\$4,355,999,750	\$24,338,215,349
% change from 2010 to 2016	2.6%	5.2%	-9.7%
Assessed Value per acre (2016)	\$3,296,838	\$2,552,892	\$392,856
% of City's Assessed Value (2016)	9.7%	17.9%	--

Note: The figures for the Downtown Study Area include the Lakefront, but do not include the MU Gateway parcels.

Source: City of Milwaukee Geographic Information Systems

This property value growth further supports the important role that Downtown plays in creating a strong tax base to support the necessary fire, police, educational, and social services for the entire City of Milwaukee. Property owners in BID #21 and the Downtown study area offset the cost of services across the entire City of Milwaukee. At just over 1% of the City's landmass, BID #21 is producing nearly 10% of the City's tax base and at 2.8% of the City's landmass, the market area included in this profile is producing almost 18% of the City's 2016 total property tax base.

The property value proposition of Downtown Milwaukee and its importance to the overall health of the City of Milwaukee is only expected to grow. As reported in late April 2016, due to recent development Downtown, there was the addition of more than \$130 million² of value to the Downtown tax base, again solidifying the focus area as the economic engine of the City, region, and state.

² Milwaukee Business Journal, "Downtown gets big property value boost in 2016 thanks to new development". April 24, 2016

2. GLOBAL TRENDS IMPACTING DOWNTOWN MILWAUKEE

Global and national trends continue to promote the growth of vibrant downtowns. Progressive Urban Management Associates (P.U.M.A.) has been tracking and reporting global trends affecting downtowns for nearly a decade and applying that knowledge to specific cities and downtown markets. P.U.M.A.'s latest update to the report was released in collaboration with research from the University of Colorado Denver. This chapter summarizes the trends that are currently most relevant to Downtown Milwaukee.

Facts and figures discussed in the sections below can be found in more detail in the sector assessment chapters that follow the Global Trends discussion.

GLOBAL TRENDS	2006	2011	2014		
	DEMOGRAPHICS	<ul style="list-style-type: none"> Changing American Demographics Immigration Trends Changes with the "Creative Class" 	<ul style="list-style-type: none"> Changing American Demographics Education, Talent & Jobs Emergence of Young Professional Women 		<ul style="list-style-type: none"> Changing American Demographics Education, Talent & Jobs Influence of Women
	LIFESTYLES	<ul style="list-style-type: none"> Traffic Congestion & Value of Time Trends in Health Care/Wellness/Recreation Growth of Tourism America's Growing Debt Burden 	<ul style="list-style-type: none"> Changing Consumer Behaviors Shifts in Transportation & Mobility Health, Wellness & Urban Form The Age of Austerity 		<ul style="list-style-type: none"> Changing Consumer Behaviors Shifts in Transportation & Mobility Health & Wellness Rise of Regionalism
	GLOBAL COMPETITION	<ul style="list-style-type: none"> Emergence of China, India, etc. Continued Advances in Technology Environmentalism, Sustainability, Climate Change 	<ul style="list-style-type: none"> The Emergence of a Planetary Middle Class Continued Advances in Technology Sustainability Mainstreamed 		<ul style="list-style-type: none"> Shift in Global Wealth Continued Advances in Technology Social Equity – The Neglected Pillar of Sustainability

Changing Workforce and the Rebound Wave

The national workforce is changing in countless ways that are, for the most part, positive for downtowns. Boomers (people over 50) are retiring in greater numbers, while Generation X (age 35 to 50) is taking the reins and Millennials (age 20 to 35) are coming into the workforce with highly sought-after skills and talent. By 2020, Millennials will make up 50% of the workforce. Both Boomers and Millennials have fueled downtown population growth over the past decade and are poised to continue to populate urban environments. Companies are under increased pressure to consider operating in city centers that have a high concentration of skilled talent.

College-educated young adults aged 25 to 34 are twice as likely to live within three miles of a city's downtown core, but an increasing number can no longer afford to live near the downtown core of superstar cities like New York and Los Angeles. Rising downtown real estate prices in first-tier cities have priced out the very demographic that will be the main driver of economic growth in the foreseeable future. This creates an opportunity for smaller, more affordable cities to attract the "Rebound Wave" Millennials who are moving out of big cities – as long as they can offer jobs that match their skillset and amenities that cater to their unique preferences.

How this impacts Milwaukee:

Downtown Milwaukee already has a very high live-work quotient with 31% of workers living in or within one mile of Downtown and working in that same area.³ Millennials have been the drivers of population growth in Downtown Milwaukee, like in other downtowns. In 2015, 38% of Downtown residents were young adults between the ages of 25 and 34, compared to only 13% of residents in the Milwaukee 7 Region. This is up from 31% in 2010. The concentration of Millennials Downtown is even more pronounced in Milwaukee than average. However, alternatively, Downtown has a smaller proportion of Boomers than the M7 Region, indicating that this generation hasn't been as quick to move Downtown in Milwaukee as other cities. If this rate picks up to match that of other cities, then it will provide more demand for housing options that meet their needs.

Households in Downtown Milwaukee are also smaller than that of the City and M7 Region, hinting at the attractiveness of an urban environment for single Millennials (and secondarily, empty-nest Boomers). In focus groups, Downtown developers confirmed that Millennials and Boomers were indeed their target market. As discussed in the Office chapter, major employers and real estate developers are banking big on Downtown Milwaukee and its long-term appeal to talent. Examples of this vote of confidence include Northwestern Mutual's new lakefront headquarters that is under construction, and 833 East Michigan which is the first multi-tenant Class A office building built in Downtown in more than a decade.

Milwaukee has the ability to take advantage of the rebound wave in large part due to its proximity to Chicago. As Chicago's core neighborhoods have become increasingly expensive, a greater number of people have been deciding to leave for the less expensive, Milwaukee. Median rent in Downtown Milwaukee is approximately \$850, while reports from Chicago's core neighborhoods show median rents over \$2,000. On average, 6,410 people moved from Chicago to Milwaukee annually between 2009 and 2013. This compares to only 3,533 people moving from Milwaukee to Chicago, for a net increase each year of almost 3,000 people in Milwaukee due to migration between these two cities.⁴ These people still have access to Chicago and its amenities, but have the affordability and high quality of life that Milwaukee currently offers. Lastly, people rebounding to smaller cities (namely Millennials), are not just looking for more affordable housing, but for an environment where they can be engaged and have civic impact. The organization, NEWaukee, and other similar groups are manifestations of this in Downtown Milwaukee.

Urban Residential Renaissance

With national trends in their favor, many downtowns are experiencing an economic renaissance that is attracting new investment and higher income households. Vibrant downtowns are well-positioned to capitalize on economic opportunities and deepen the demand for downtown housing by offering jobs, entertainment, culture, education, recreation, and healthy lifestyles. Again, Millennials and Boomers are driving this renaissance. To sustain and deepen demand for downtown housing, urban amenities that appeal to both generations should be considered, including varied dining and entertainment options, attractive walkable streets, and investments in neighborhood features like dog parks and grocery stores. To provide an environment that attracts economically-mixed demographics, diverse housing price points and unit types are needed. When these actions are taken, it has been illustrated that there is a robust demand pipeline to sustain this urban residential renaissance.

³ International Downtown Association, "Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century U.S. Cities"

⁴ <http://www.nbcchicago.com/news/local/Where-Chicagoans-Are-Most-Likely-to-Move-When-They-Leave-the-Windy-City-330530481.html>

How this impacts Milwaukee:

This is the most pronounced trend in play in Downtown Milwaukee currently, as the city is in the midst of a Downtown housing boom. As of May 2016, there were nearly 2,200 multi-family units either finished in the first quarter of 2016 or under construction in the greater Downtown area.⁵ Assuming the household size and vacancy rates in Downtown stay relatively consistent with today's figures, these 2,200 units could add approximately 3,560 new residents to the greater Downtown area in the near future. In the development pipeline there are additional residential projects, containing more than 2,000 units that are likely to move forward soon and continue the urban residential renaissance. Other cities have shown in recent years that if the amenities and jobs are in place downtown, then there will be a strong demand pipeline to respond to this level of growth. A spinoff benefit of this housing boom is that residential developments are rarely exclusively housing anymore. With most new housing projects comes new ground-floor retail, restaurants, and other amenities – sometimes even critical neighborhood-serving ones, like a grocery store (which has been added to the North End development area).

Adaptive reuse of outdated and unused office buildings to residential is an effective component of this trend in Milwaukee. This brings new in-demand housing, while removing hard-to-lease office space, and creating a more balanced live-work Downtown environment.

A gap in the residential renaissance in Downtown Milwaukee that the city should be aware of is that less than 6% of Downtown residents are children under the age of 15. Downtown should explore improvements to schools, and additional amenities and housing types that would make Downtown more appealing to families with young children. Establishing more attractive Downtown school options was frequently mentioned during stakeholder focus groups. This will become more important as Millennials get older and begin having children at a higher rate.

Shifts in Transportation & Mobility

Vehicle expense and demographic changes are shifting behaviors away from cars and towards other transportation modes such as walking, biking, transit, and ride sharing. Cities are increasingly using their “walk scores” as a measure of economic competitiveness and “walkable real estate” can command value premiums of 50% to 100%. Currently, over 1,000 cities globally have bike share programs, the fastest growth of any mode of transport in history. America's two largest demographic groups – Boomers and Millennials – are primarily responsible for changing transportation habits. Boomers are simplifying and downsizing, often moving to walkable urban areas. Millennials are seeking walkable and bikeable environments in proximity to jobs and lifestyle amenities. The share of automobile miles driven by people in their 20s has dropped precipitously over the last two decades. These shifting transportation preferences should encourage downtowns to invest in street designs that give greater emphasis to bicycles and pedestrians.

How this impacts Milwaukee:

Stakeholder focus groups revealed that improving mobility and connectivity should be a top priority in Downtown Milwaukee. Downtown is currently characterized as auto-centric with dispersed and disconnected activity hubs. However, there are several efforts underway that are designed to establish a more balanced, multimodal system including the Milwaukee Streetcar, the growth of BublR Bikes, exploration of Bus Rapid Transit (BRT) feasibility, and the development of a Complete Streets policy.

While Milwaukee as a whole is “somewhat” walkable according to Walk Score™ (it has a Walk Score of 59 on a scale of 100), the Downtown neighborhoods are considered “very” walkable with an average score of 86. This

⁵ For the multi-family counts, this Market Profile uses a similar geography as tracked by the City of Milwaukee Department of City Development. The complete Downtown Study Area falls within the greater Downtown area which stretches north to the North Avenue corridor and south to include all of Walker's Point.

ranks Downtown Milwaukee on par with peer city counterparts. As density Downtown increases through this residential renaissance trend, so will walkability. Regarding transit access, Downtown is below average against its peers based on Transit Scores. The Milwaukee Streetcar is expected to help in this category.

Social Equity & Sustainability

While there is broad understanding of economic and environmental aspects of sustainability, the third pillar, social equity, must also be given attention. As global and national trends have benefited cities in recent years, there has been a migration of largely upper income professionals to downtowns. At the same time, income inequality in the United States is at its most extreme since 1928. Income inequality poses challenges for cities. Many urban areas in the largest US cities have already become enclaves of the rich, pricing out service workers and middle income professionals such as teachers and nurses, and some medium-sized cities are also heading in this direction. Young, skilled Millennials, the raw material needed to grow a professional downtown workforce, are finding it increasingly difficult to afford urban lifestyles. Downtowns truly interested in social equity and sustainability will likely need to be more proactive in promoting affordable housing, better wages, and quality schools to attract and retain a diverse workforce.

How this impacts Milwaukee:

The greater Downtown Milwaukee area is reflective of global trends where there is a migration of largely upper income professionals to downtowns. At the same time, Downtown Milwaukee is poised for a more fully engaged downtown with new affordable housing alternatives under consideration, workforce development advancements, and mobility and transit connections to surrounding neighborhoods in order to better integrate with the City as a whole.

Housing cost indicators show that the large volume of new housing is at a higher price point than existing housing. Average Downtown rents increased 16% between 2010 and 2014 and this is expected to continue. Community leaders should be thoughtful to connect to surrounding neighborhoods and existing residents in order to leverage the Downtown renaissance to foster economic opportunities in adjacent neighborhoods.

Focus groups also identified inequality as one of the main challenges facing Downtown Milwaukee over the next 5-7 years. To combat this growing issue, Downtown should continue its efforts to become a series of true neighborhoods rather than just a hub for economic, cultural, and tourism activity. Currently, there is no dedicated Downtown school and nearby schooling options are limited. Focus groups identified the need for a public school option for Downtown families. Neighborhood-serving amenities, like grocery stores, health clinics, and active public spaces, were also identified as needs.

More than any other neighborhoods, downtowns should be places where everybody in the community gathers to live, work, and play. Milwaukee can help make this happen by investing in affordable housing, workforce development, quality school options, active public spaces, and multimodal transportation options.

3. DEMOGRAPHICS

Downtown Demographics

Downtown’s 2014 population was 21,993, or 3.7% of the total City population. This estimate does not include the boom in residential development during 2015 and 2016, but still shows Downtown population is up 2.8% from 2010. Between 2010 and 2014, Downtown households increased in size and average resident age increased. These are both a reversal of trends from the prior decade where households were getting smaller and younger. The most notable change in Downtown demographics between 2010 and 2014 was the closing of the gap in gender. The number of females living Downtown has increased in number and proportionally to males. In 2014, 46.2% of residents were female, compared to 43.5% in 2010, a 9.2% increase.

Regional Demographic Comparison

The Milwaukee 7 Region includes Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington and Waukesha counties. The Region can be briefly characterized as older, wealthier, and larger in household size indicating a greater number of family households. The Region’s population is over 2 million, approximately 600,000 of which live in the City of Milwaukee. The City ranks as the 31st largest in the nation.

Downtown grew at a faster rate than the City and the Region between 2010 and 2014 (2.8% vs. 0.5%, respectively). Even though Downtown households are increasing in size, they remain significantly smaller than those of the City and Region. Even with this size discrepancy, Downtown households have a 29% higher median income than City households and therefore are contributing a very significant portion of state income taxes. In 2010, Downtown residents were younger on average than elsewhere in the City and Region. This changed over the next four years – the City as a whole was younger on average than Downtown residents in 2014, where the median age increased to 31. Although Downtown’s gender numbers are continuing to balance out, there remains a much larger relative proportion of women that live in the City and Region.

HIGHLIGHTS:

Nearly 26,000 people live Downtown (including the Lakefront and MU Gateway).

Downtown grew at a faster rate than the City and Region between 2010 and 2014.

Downtown households have a 29% higher median income than citywide households.

The 2,196 recently completed and under-construction units could add 4,800 residents to the greater Downtown area.

Regional Market Demographics: 2010 - 2014

	Downtown Study Area			City of Milwaukee			Milwaukee 7 Region			
	2014	2010	% Change	2014	2010	% Change	2014	2010	% Change	
Population	21,993	21,395	2.8%	598,078	594,833	0.5%	2,030,595	2,019,970	0.5%	
Households	12,519	11,556	8.3%	230,181	230,221	0.0%	799,698	800,087	0.0%	
Average Household Size	1.76	1.53	15.0%	2.6	2.5	4.0%	2.54	2.52	0.8%	
Median Age	31.4	29.8	5.4%	30.8	30.3	1.7%	39.6	37	7.0%	
Gender	Male	11,815	12,077	-2.2%	287,843	286,949	0.3%	992,020	987,257	0.5%
	Female	10,178	9,318	9.2%	310,235	307,884	0.8%	1,038,575	1,032,713	0.6%
Median Household Income	\$45,711	\$44,205	3.4%	\$35,489	\$32,911	7.8%	\$55,207	\$53,388	3.4%	

Source: Census American Community Survey, 2010-2014 5-year estimates

According to 2015 ESRI estimates, the Lakefront and Marquette Gateway districts add another 3,966 residents to the Downtown Study Area, bringing the total population to nearly 26,000.

Population Projections

The most recent Census Bureau projections don't account for the growth in housing supply over the last year and a half. By using existing data on the number of units complete and under construction, it is possible to estimate recent and expected population growth based on current vacancy rates and average household size.

As discussed in the next chapter on Housing, there were 749 completed new housing units in the greater Downtown area in 2015. In addition, through the first quarter of 2016, 2,196 units have either been completed or have started construction. If average household size and vacancy rates stay the same, it is estimated that these new units will bring almost 4,800 new residents to the greater Downtown area. Of this, 79% (or 3,765 people) are located in the Downtown Study Area boundary.

Traditional Neighborhood Demographics

The most populated part of Downtown is east of the Milwaukee River. Taking this even further, the area east of Van Buren Street and north of Wisconsin Avenue to the lakefront had the highest population density, with about 25,000 people per square mile. East Town was the most populated neighborhood in Downtown, followed by Yankee Hill, Westown⁶, and the Lakefront. However, Yankee Hill had the highest population density amongst these neighborhoods. Drilling down to the Census Tract level⁷, tract 110 (Yankee Hill) and tract 143 (East Town) are the densest in Downtown. Although population density was lowest in the Historic Third Ward/Walker's Point as of 2014, this neighborhood saw the highest growth rate (16%) between 2010 and 2014. Census estimates show that Westown experienced a population decrease (-9%), which can be misleading due to Milwaukee County closing its Community Correctional Center, which had an average population of approximately 380 included in the Census population counts. When taking into consideration this closure, the Westown neighborhood would have shown a slight population increase since 2010. Even more recently, housing construction in the Westown neighborhood has added over 625 new units, the vast majority of which are fully occupied, which supports the notion of population growth in Westown.

Lakefront and Haymarket/Hillside are the oldest in age amongst Downtown neighborhoods. Yankee Hill and Westown are the only neighborhoods that were on average younger in 2014 than in 2010.

Household income varies widely across Downtown Study Area neighborhoods, ranging from Historic Third Ward (\$80,000) to Haymarket/Hillside (\$18,000), which does contain the Hillside Terrace affordable housing community. Correlating with household income, Historic Third Ward and East Town have the highest educational attainment (over 70% of residents hold college or higher degrees in both neighborhoods). The gap between these two neighborhoods and others Downtown has been growing – educational attainment numbers continue to rise for Historic Third Ward and East Town, while they have been decreasing in all other Downtown neighborhoods.

⁶ For this section, the Marquette Gateway data (collected from ESRI for 2015) was included with Westown due to its proximity and small geographic size. For data on the Marquette Gateway district only, see the Census Tract table in the appendix.

⁷ Data on individual census tracts is included in the appendix.

2014 Downtown Milwaukee Neighborhood Demographics

	East Town	Yankee Hill	Westown/ Kilbourn Town***	Historic Third Ward/ Walker's Point	Haymarket/ Hillside**	Schlitz Park	Lakefront*
Census Tracts	113, 143, 144	110, 111	1863, part of 1864	1874	141, 1860	114	Part of 1864
Population	7,135	4,908	3,760	2,711	3,094	1,235	3,116
2010	6,738	4,909	4,138	2,341	3,002	1,137	3,070
% change since 2010	5.9%	0.0%	-9.1%	15.8%	3.1%	8.6%	1.5%
Households	4,336	3,357	901	1,650	1,498	807	2,150
2010	4,089	3,266	776	1,393	1,378	684	2,111
% change since 2010	6.0%	2.8%	16.1%	18.4%	8.7%	18.0%	1.8%
Avg. Household Size	1.44	1.45	1.67	1.51	1.97	1.53	1.32
2010	1.65	1.5	1.71	1.51	2.18	1.66	1.32
Median Age	30.4	29.7	28.0	31.3	37.5	30.3	41.9
2010	29.1	31.3	28.2	30.7	32	29.3	40.9
Median Household Income	\$48,680	\$32,026	\$49,341	\$79,643	\$17,553	\$64,750	\$44,501
2010	\$44,441	\$38,783	\$70,203	\$76,163	\$13,703	\$72,462	n/a
% change since 2010	9.5%	-17.4%	-29.7%	4.6%	28.1%	-10.6%	n/a
Families below Poverty Level	1.6%	16.9%	0.0%	3.1%	40.4%	0.0%	n/a
2010	2.4%	10.4%	0.0%	3.2%	44.0%	21.1%	n/a
Bachelor's Degree or Higher	70.5%	60.3%	39.8%	73.0%	12.6%	63.6%	68.9%
2010	67.5%	62.0%	34.3%	61.3%	18.2%	79.8%	n/a
Male	55%	48%	69%	49%	41%	60%	46%
2010	57%	52%	71%	54%	43%	51%	46%
Female	45%	52%	31%	51%	59%	40%	54%
2010	43%	48%	29%	46%	57%	49%	54%
White	83.0%	83.7%	55.0%	89.4%	16.0%	80.1%	83.4%
2010	84.6%	81.1%	56.2%	89.1%	13.3%	79.3%	85.5%
African American	6.7%	8.2%	37.0%	4.6%	81.0%	17.8%	6.6%
2010	5.1%	10.7%	37.6%	5.4%	83.2%	12.4%	6.0%
Asian & Pacific Islander	6.7%	4.4%	2.1%	1.1%	0.0%	0.9%	7.3%
2010	7.1%	3.9%	2.9%	3.5%	0.4%	3.6%	6.2%
American Indian	0.4%	0.2%	0.7%	0.3%	0.1%	0.0%	0.2%
2010	0.2%	0.9%	0.8%	0.1%	0.4%	0.5%	0.2%
Other (incl. 2+ races)	3.2%	3.5%	5.1%	4.6%	2.9%	1.2%	2.6%
2010	2.9%	3.4%	2.6%	1.9%	2.7%	4.1%	2.2%
Hispanic Origin	6.7%	2.6%	6.9%	5.4%	3.4%	2.1%	4.0%
2010	4.1%	4.5%	5.3%	3.4%	4.3%	5.6%	3.3%

* Lakefront: This district is custom made and does not align with Census tracts. Data available for this district are 2015 estimates, collected from ESRI.

** Haymarket/Hillside: Hillside Terrace, a 470-unit affordable housing community, is located in the Hillside neighborhood and is included in the chart's data.

*** Westown/Kilbourn Town: 2015 ESRI estimates for the custom Marquette Gateway district were included in the Westown neighborhood data. The Milwaukee County Jail is located in the Westown/Kilbourn Town neighborhood, and therefore its demographic information is reflected in the chart's data. In late 2010, Milwaukee County closed its Community Correctional Center, which had a population of approximately 380. It can be assumed that this closure accounts for the population decrease noted in the table.

Source: 2010-2014 American Community Survey 5-Year Estimates; ESRI BAO, Community Profile

4. HOUSING

Downtown housing is primarily made up of multi-family rental units. Milwaukee is in the midst of a residential boom in the greater Downtown area. As noted by local media, focus group participants, and supported by global trends research, Millennials and Baby Boomers are both driving this Downtown housing boom. These demographics are seeking the flexibility and freedom that renting offers, and the dynamic environment that downtowns provide. Data shows a pent-up demand for Downtown housing, and also illustrates that the development community is responding. There has been a big increase in the number of residential units over the last few years. This growth will continue through the next several years as well. All in all, while there were approximately 13,000 housing units Downtown in 2010, it is anticipated there will be over 20,000 units by 2020.

Also of note, Downtown Milwaukee falls in the category of “Extremely High Live-Work Quotients” with 31% of workers living in or within one mile of Downtown and working in that same area.⁸ This is the top category and also puts Downtown Milwaukee ahead of all of its peer cities other than Pittsburgh. Given the boom in Downtown residential and a growing employment base, this number can be expected to grow.

Given the fact that this market is changing rapidly, data lacks consistency depending on its source and date collected. Taken as a whole, the below sections help paint a full picture of Downtown Milwaukee’s changing housing market.

Live-Work Quotients in Peer Cities

	Live-Work Quotient*
Pittsburgh	31.3%
Milwaukee	30.9%
Cincinnati	23.7%
Kansas City	25.2%
St. Louis	22.7%
Indianapolis	26.3%
Cleveland	27.8%

* % of workers living within Downtown or in tracts within one-mile of Downtown who work within the same area

Source: International Downtown Association

HIGHLIGHTS:

While there were about 13,000 Downtown housing units in 2010, it is anticipated there will be over 20,000 units by 2020.

Downtown has an “Extremely High Live-Work Quotient” with 31% of workers living in or within a mile of Downtown.

In the last year, Downtown accounted for 18% of the citywide total number of multifamily sales and 40% of the citywide sold volume, while it only represents 2.8% of the City’s land mass.

Over the last three years, the average sales price has increased 21% for single-family and 11% for multi-family units in Downtown.

As of May 2016, there were nearly 2,200 new multi-family units under construction or completed this year so far.

Since the beginning of 2015, over 1,100 residential units have been created or are under construction by adaptively reusing former office space.

⁸ International Downtown Association, “Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century U.S. Cities”

Characteristics

According to Census data, there was a modest increase between 2010 and 2014 in the number of housing units in Downtown Milwaukee. In 2014, there was an estimated 13,587 housing units; 290 more units than was estimated in 2010. The biggest difference, according to Census estimates, is that vacancy rates Downtown have been almost cut in half over this time period, from 13.1% to 7.9%. It is a positive sign that while the total unit numbers increased, the number of vacant units was significantly down, pointing at continual demand. Also, rent prices for rental units increased 16% over this four-year period, indicating higher-end product coming online and the desirability for Downtown housing. Overall, based on data from a variety of other sources discussed below, it is clear that the Census Bureau has underestimated housing growth in recent years. Also, since the latest estimates are for 2014, they do not capture the recent housing boom taking place in Downtown Milwaukee.

Housing Characteristics: Downtown Milwaukee

	2014	2010
Total Housing Units	13,587	13,297
% change since 2010	2.2%	--
% Owner-Occupied	19.1%	16.9%
% Rental	73.0%	70.0%
Total Vacant Units	1,068	1,741
% vacancy	7.9%	13.1%
Median Monthly Rent	\$852	\$736
% change since 2010	15.8%	--

Source: 2010-2014 American Community Survey 5-Year Estimates

For Rent

Feedback from focus groups indicated that the rental development market has done a good job of responding to demand. Developers are targeting Millennials and Baby Boomers, which are both attracted to the freedom and flexibility that renting provides. However, each demographic has different needs and this is translating into a wider range of rental product in Downtown Milwaukee. Millennials are more focused on affordability and are willing to sacrifice space for cheaper rents and community amenities. Baby Boomers are often in the market for larger, higher-end apartments that contain amenities they're used to having. This translates into a wide range of rental rates for Downtown housing, as reported by focus group attendees. River and lakefront units are renting for over \$2/square foot, while other areas are renting for \$1.65/square foot. Looking forward, most new housing developments will have rates of at least \$1.90/square foot. Monthly rental rates have been steadily increasing approximately 2.5% yearly, which is expected to continue. Finally, many apartments are fully leased when they open, pointing to additional demand for rental product in Downtown Milwaukee.

For Sale

Multi-family: The Downtown housing market is almost entirely made up of multi-family units. The average sales price Downtown is significantly more than double that of the City. Over the last three years, the average sales price Downtown has increased 11%. Furthermore, focus group participants in this industry indicated that pressure in the market is regularly pushing selling prices higher than asking prices, and that higher-end condos are the type of product that's selling the best. Downtown is also showing a substantially shorter sales cycle with average days on the market decreasing from 225 to 100 over the last four years. The number of units sold has remained relatively consistent over this time period, but the total sold volume in dollars has been increasing and is the highest it's been in four years. Although condo development is riskier than rental, the above data points to a potential opportunity for developers to build unique, boutique housing projects (this was also stated in focus group meetings).

By these indicators, Downtown is more productive than other Milwaukee neighborhoods in the multi-family housing market. In the last year, Downtown accounted for 18% of the citywide total number of sales and 40% of the citywide sold volume, while it only represents 2.8% of the City's land mass. Downtown is clearly critical to the City's multi-family housing market.

Single Family: Naturally, there are significantly fewer single family units Downtown, but this market is also showing positive trends. The average sales price has increased 21% over the last three years. The average days on the market has remained steady over this same time period, is consistent with citywide numbers, and is lower than the average days for Downtown multi-family units. Lastly, the sold volume has nearly doubled in the last four years.

Downtown Milwaukee Housing Sales Trends: April 2012 to March 2016

	Downtown Milwaukee				City of Milwaukee**			
	Apr12 - Mar13	Apr13 - Mar14	Apr14 - Mar15	Apr15 - Mar16	Apr12 - Mar13	Apr13 - Mar14	Apr14 - Mar15	Apr15 - Mar16
Multi-Family Residential*								
Avg. Sale Price	\$320,416	\$288,368	\$314,169	\$319,912	\$111,577	\$119,700	\$132,401	\$140,771
Avg. Days on Market	225	146	102	100	111	97	93	98
Number of Sales	309	359	307	339	1,951	1,985	1,902	1,928
Sold Volume	\$87 M	\$104 M	\$96 M	\$108 M	\$218 M	\$238 M	\$252 M	\$271 M
Single Family Residential								
Avg. Sale Price	\$178,344	\$221,542	\$214,200	\$215,334	\$79,744	\$93,441	\$98,911	\$108,532
Avg. Days on Market	79	82	81	83	85	79	81	80
Number of Sales	9	12	10	14	3,529	3,434	3,428	3,427
Sold Volume	\$1.6 M	\$2.7 M	\$2.1 M	\$3.0 M	\$281 M	\$321 M	\$339 M	\$372 M

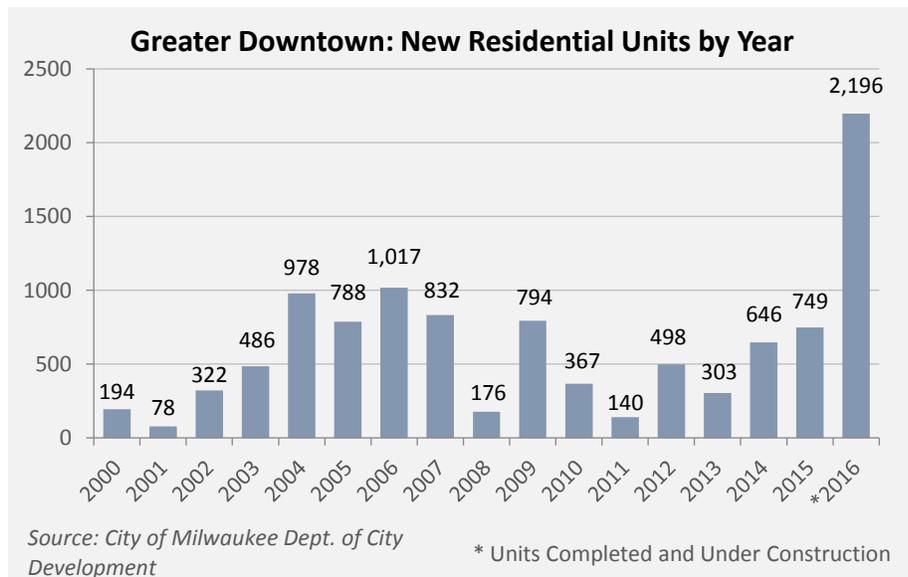
* includes duplexes, multi-family, and condominiums; ** includes Downtown Study Area figures

Note: Downtown data includes the Lakefront district, but not the MU Gateway district, which includes little or no owner occupied units

Source: Greater Milwaukee Association of Realtors

Recent and Proposed Residential Development

A distinct housing boom is currently underway in greater Downtown Milwaukee. Since 2010, nearly 3,000 dwelling units have been added to the market. Furthermore, as of May 2016, there were nearly 2,200 new multi-family units under construction, with some being completed during the first quarter of the year. In the development pipeline for the next few years, there are residential projects that are expected to bring more than 2,000 new units to the greater Downtown area, with more projects potentially to be added. As 2020 approaches, it is reasonable to assume that more than 7,000 units ultimately will have been built Downtown over this decade. There will continue to be opportunities for more housing growth as catalytic projects come



to fruition. These include the Downtown Streetcar and the new arena development, which will both open up new areas of Downtown for residential development. Following the chart are examples of the types of residential developments taking place in Downtown Milwaukee currently. A spinoff benefit of the housing boom, as illustrated in these examples, is that modern residential development often includes other supplementary uses, such as retail and public space. Large-scale residential development in downtowns is rarely exclusively single use.

Northwestern Mutual Apartments: This \$100 million project is currently under construction. The 34-story tower will consist of 308 market-rate apartments, approximately 10,000 square feet of ground-floor retail, and a 1,400-space parking structure. Besides their business headquarters (also under construction), this is Northwestern Mutual’s first investment of their investor’s funds in Milwaukee.

The Couture: This 44-story development will include 302 apartments, 50,000 square feet of retail, public space, and a transit hub with a streetcar stop and potentially a bus rapid transit stop. After gaining approval for the sale of county-owned land, this project is moving forward. Demolition of the Downtown Transit Center, the development site, is slated to begin in August 2016.

The North End: A 650-unit, four-phase development by the Mandel Group complemented by more than 500 additional units from other developers has led to the creation of a new neighborhood along the northern portion of Downtown in the Park East corridor. The North End will also be anchored by the Milwaukee area’s first Fresh Thyme Market, which will open a 28,000 square foot store on the ground level of a 168-unit mixed use development in summer 2016.



Clockwise from left: Northwestern Mutual Apartments, The Couture, and North End Phase IV

Adaptive Reuse of Former Office Space

A recent trend in greater Downtown Milwaukee has been the conversion of Class B and C office into residential. Just since the beginning of 2015, nearly 1,100 residential units have been created or are under construction by adaptively reusing former commercial space. In Westtown alone, over 550,000 square feet of commercial space was recently repurposed to hotel and residential uses. The benefits of this trend are twofold – adaptive reuse is making up a big part of the new residential inventory helping to match the strong demand for housing, while also removing difficult-to-lease office space from the commercial market. These properties are also part of the existing urban fabric and through conversion are again contributing to Downtown’s vibrancy. Examples of this adaptive reuse trend are shown in the images to the right.

This trend of converting office to residential is a national one. While office-to-residential conversions have long been taking place in larger East Coast downtowns, it is also happening in Midwest cities like Milwaukee and its peer cities (namely Kansas City, Cleveland, and St. Louis).⁹



Clockwise from top: The Buckler, an adaptive reuse of a more than 200,000 square foot former Blue Cross Blue Shield office building into 210 market-rate apartments, located in the Westtown neighborhood; the 700 Lofts, a recently completed conversion of former vacant commercial space to 49 affordable and market-rate rental units in Westtown; and the Mackie Building, a historic building with upper floors being converted to luxury residential units.

⁹ Randy Drummer, CoStar Group, “Office Today, Apts. Tomorrow” (August 19, 2015)

5. EMPLOYMENT

Downtown is the economic hub of Southeastern Wisconsin, containing the highest concentration of jobs, major corporate and local government headquarters, and a range of service jobs that support visitors, residents, and workers. Downtown Milwaukee has “Extremely High Job Density,” with 112 total jobs per acre in its commercial downtown.¹⁰ This ranks 18th nationally amongst primary downtowns and ahead of its peer cities. When evaluating employment numbers for Downtown Milwaukee, different data sources had widely varying estimates. Therefore, 2014 Census Bureau and 2015 ESRI estimates were averaged¹¹, and these averages were used to better understand the number of employees in Downtown Milwaukee.

Job Density in Peer City Downtowns

	Total Jobs per acre	
Milwaukee	112	Extremely High
Cincinnati	98	Very High
Kansas City	75	Very High
Pittsburgh	66	High
St. Louis	64	High
Indianapolis	57	High
Cleveland	44	Moderately High

Source: International Downtown Association

Downtown Milwaukee Employees

From 2014-2015, the most common occupations Downtown were (1) Finance and Insurance; (2) Public Administration; and (3) Professional, Scientific, and Technical Services. Overall, nearly half (48.2%) of all Downtown employees work in these three sectors. Downtown continues to be led by a high percentage of white collar jobs (59%), which is to be expected in downtowns. There was a 3.1% increase in total Downtown employees since 2010. White collar jobs increased (+7.3%), blue collar jobs increased (+67.6%, but a smaller net increase), and service jobs decreased (-6.5%). Of note, there are very few blue collar jobs Downtown, and a majority of the growth experienced in this sector was due to construction jobs quadrupling over this time period.

Industries with significant net growth were: (1) Retail; (2) Real Estate, Rental and Leasing; (3) Accommodations and Food Service; (4) Arts, Entertainment and Recreation; and (5) Professional, Scientific and Technical Services; along with the already mentioned Construction industry. Industries with significant erosion were: (1) Public Administration, and (2) Health Care and Social Assistance.

HIGHLIGHTS:

Downtown has “extremely high” job density, with 112 total jobs per acre, ranking 18th nationally amongst primary downtowns.

Nearly half of all Downtown employees work in Finance and Insurance, Public Administration, and Professional, Scientific, and Technical Services.

The percentage of white collar jobs is increasing and is up to 59% of all jobs in Downtown.

The number of people working in the FIRE industry cluster (Finance, Insurance, and Real Estate) has increased since 2000 to almost 19,000 in Downtown. This is expected to continue to grow with major companies expanding their Downtown presence in the next few years.

¹⁰ International Downtown Association, “Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century U.S. Cities”

¹¹ The most recent years that were publicly available from each source.

Occupations of Downtown Employees*

Occupations	Employees	Percent
White Collar	48,961	58.6%
Finance & Insurance	15,823	19.0%
Professional, Scientific & Technical Services	11,109	13.3%
Administrative & Support, Waste Management and Remediation Services	5,053	6.1%
Management of Companies and Enterprises	3,894	4.7%
Real Estate, Rental and Leasing	3,071	3.7%
Retail Trade	3,032	3.6%
Information	2,722	3.3%
Arts, Entertainment and Recreation	2,685	3.2%
Wholesale Trade	1,572	1.9%
Services	31,238	37.4%
Public Administration	13,246	15.9%
Accommodation and Food Services	6,947	8.3%
Health Care and Social Assistance	3,394	4.1%
Educational Services	3,160	3.8%
Other Services (except Public Administration)	2,750	3.3%
Utilities	1,741	2.1%
Blue Collar	3,291	3.9%
Manufacturing	1,283	1.5%
Construction	1,218	1.5%
Transportation and Warehousing	575	0.7%
Agriculture, Forestry, Fishing and Hunting	208	0.2%
Mining	7	0.0%
TOTAL DOWNTOWN EMPLOYEES	83,490	100.0%

* This is an average of 2014 Census estimates and 2015 ESRI estimates. Example: For Finance & Insurance, 15,823 is the average of 14,771 (Census) and 16,874 (ESRI).

Source: Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); ESRI BAO, Business Summary

Net Employment Outlook

According to the third quarter 2016 Manpower Employment Outlook Survey, the Milwaukee region ranks 12th out of the largest 100 metropolitan statistical areas with a net employment outlook of 26%. Net employment outlook is the difference between the surveyed companies that plan to increase employees and the companies that plan to decrease their number of employees. At 26%, the Milwaukee region is up 1% on the previous quarter and is 11% stronger than the national average of 15% for all the surveyed metropolitan area.

This indicator bodes well for continued job growth in Downtown Milwaukee and the region.

Major Employers

Finance and insurance companies make up the largest proportion of private sector employment in Downtown Milwaukee. Federal and local governments are also major employers in Downtown, with over 13,000 employees combined. Many of the largest citywide employers have a Downtown Milwaukee presence, through headquarters and regional offices, as illustrated in the table on the following page.

FIRE Industry Cluster

Downtown Milwaukee is the Finance, Insurance, and Real Estate capital of Wisconsin. The number of employees working in this cluster in Downtown has increased to almost 19,000, a 2.1% increase over 2010. The largest employer, Northwestern Mutual, slightly increased its employment between 2010 and 2015; however, they are expecting to add 1,900 new jobs incrementally as their new Downtown headquarters is completed. Other major companies like R.W. Baird and Associated Bank with their recent purchase of the Milwaukee Center office tower are also growing their Downtown presence.

Largest Milwaukee Area Employers with Corporate or Regional Offices Downtown - 2015

Company	Business Description	Total Employment
Roundy's Inc.	Food distributor and retailer	8,260
Northwestern Mutual	Insurance and annuities	5,100
U.S. Bank National Association	Commercial bank	3,500
Wisconsin Energy Corporation (WEC Energy Group)	Electric and natural gas utility	3,461
BMO Harris Bank	Bank holding company	3,300
Johnson Controls, Inc.	Automotive seating, batteries and industrial controls	3,200
The Marcus Corporation	Hospitality and entertainment operator	3,159
Marquette University	University	2,733
Bon-Ton Stores Inc.	Department stores	2,260
Wells Fargo	Financial services provider	2,200
Robert W. Baird & Co. Inc.	Employee-owned, international wealth management	1,400
Joy Global Inc.	Manufacturer of mining equipment	1,319

Source: Milwaukee Business Journal, 2015-2016 Book of Lists; Note: Not all employees located downtown

Downtown Employee Demographics

Only the 2014 Census Bureau data has detailed breakdowns of employee demographics and commute patterns. Therefore, the remaining sections in this chapter use only the Census data rather than the blended average of Census and ESRI that was used above. There has been little substantial change in employee demographics between 2010 and 2014, and therefore only 2014 numbers are shown in the adjacent tables. Three changes worth noting include:

- The number of employees age 55 and older has increased, alluding to baby boomers moving towards retirement;
- The number of male versus female workers has balanced out to virtually even, although there are still slightly more female workers Downtown; and
- Educational attainment numbers regressed slightly during this four year period, as the percentage of workers with a college degree (or higher) decreased while the percentage of workers with no college (or less) increased.

2014 Jobs by Worker Age

Age 29 or younger	21%
Age 30 to 54	58%
Age 55 or older	21%

2014 Jobs by Gender

Male	50%
Female	50%

2014 Jobs by Monthly Earnings

\$1,250 per month or less	14%
\$1,251 to \$3,333 per month	28%
More than \$3,333 per month	57%

Source (for all charts): Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); available via onthemap.com

2014 Jobs by Worker Race and Ethnicity

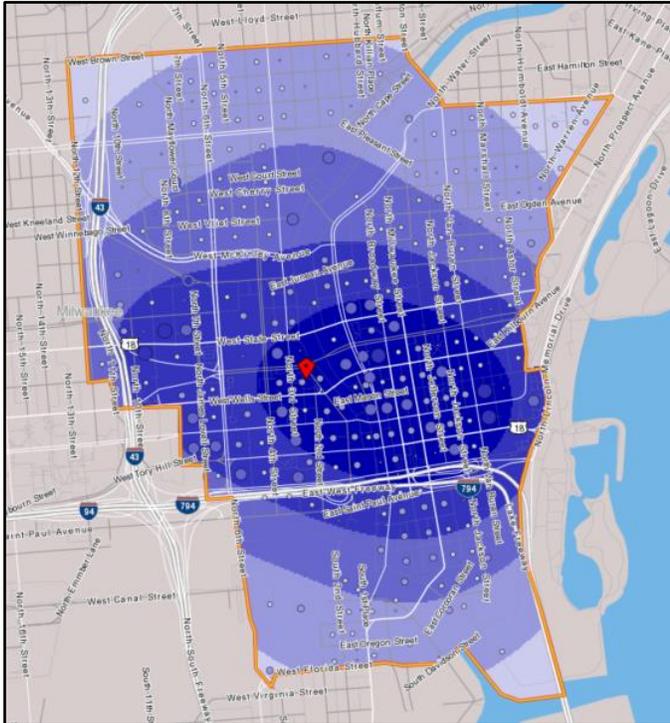
White	81%
African American	15%
American Indian	1%
Asian & Pacific Islander	3%
Two or More	1%
Hispanic or Latino*	6%

* persons who identify their origin as Spanish, Hispanic, or Latino may be of any race

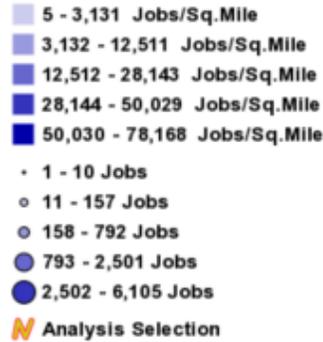
2014 Jobs by Educational Attainment

Less than high school	6%
High school or equivalent, no college	19%
Some college or Associates degree	25%
Bachelor's degree or advanced degree	29%
Not available	21%

Employment Distribution

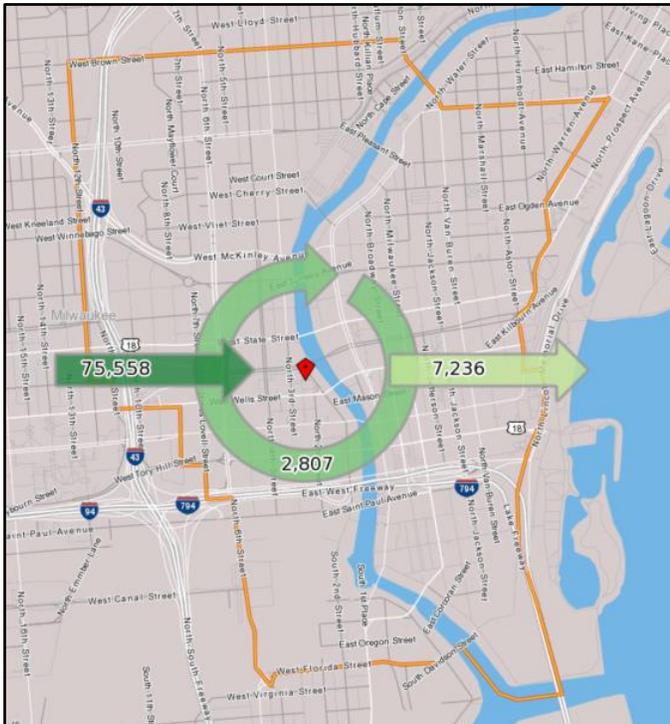


Downtown jobs were slightly more dispersed in 2014 than in 2010, but still have the strongest cluster east of the Milwaukee River. This is where most of the Study Area's major office towers, hotels, and City of Milwaukee government facilities are located.

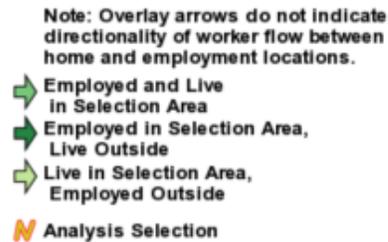


Source: Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); available via onthemap.com

Employment Inflow/Outflow¹²



Of all the people employed in the Downtown Study Area, 96.4% live outside the Study Area, many of which likely live in near-Downtown neighborhoods as indicated by the high live-work quotient discussed in the Housing chapter. Of all the employed people who live Downtown, 72% work outside of the Study Area. The 2014 inflow/outflow data is very similar to 2010 numbers.



Source: Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); available via onthemap.com

¹² This graphic comes directly from a Census Bureau source and therefore the total number of employees is slightly different than the total reported at the beginning of this chapter.

There is a connection between age and whether one lives Downtown that is illustrated by the data in the table below. People who live *and* work Downtown (i.e., Interior Flow) are the youngest on average. In all, 40% of the people who live and work Downtown are 29 or younger, showing the impact of the millennial generation as it grows into the workforce. Alternatively, people who work Downtown but live elsewhere are substantially older.

Another finding is that wages are higher for people working Downtown. People who live Downtown but work elsewhere have the lowest wages on average. A majority of people (57%) working Downtown make more than \$3,333 per month.

The vast majority of Downtown workers have jobs in the "All Other Services" category which includes government, finance, insurance, real estate, management, accommodations and food services, health, education, etc.

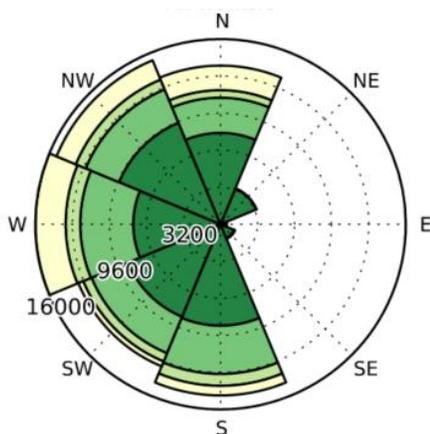
	Outflow External Jobs filled by residents	Inflow Internal Jobs filled by outside workers	Interior Flow Internal Jobs filled by residents
<i>Total Primary Jobs</i>	7,236	75,558	2,807
Workers aged 29 or younger	39.3%	20.3%	40.3%
Workers aged 30 to 54	46.4%	58.7%	45.1%
Workers aged 55 or older	14.3%	21.0%	14.6%
\$1,250 or less per month	19.9%	14.3%	15.1%
\$1,251 to \$3,333 per month	29.4%	28.4%	28.5%
More than \$3,333 per month	50.6%	57.2%	56.4%
Workers in the "Goods Producing" Industry Class	14.8%	1.5%	1.1%
Workers in the "Trade, Transportation, and Utilities" Industry Class	16.5%	5.5%	4.6%
Workers in the "All Other Services" Industry Class	68.8%	93.1%	94.2%

Source: Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); available via onthemap.com

Jobs by Distance and Direction

Work to Home

Of all the people who work Downtown, 40% live in the City of Milwaukee, while 64% live in Milwaukee County. Employees that travel greater distances (25+ miles) are more likely to live in the west, northwest, and north areas of the Metro Milwaukee region.



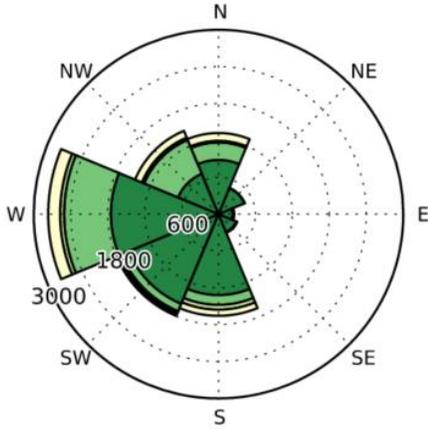
**2014 Jobs by Distance:
Work Census Block to Home Census Block**

	Number of Workers	Percent
<i>Total Primary Jobs</i>	78,365	
Less than 10 miles	47,350	60%
10 to 24 miles	18,318	23%
25 to 50 miles	4,622	6%
Greater than 50 miles	8,075	10%

Source: Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); available via onthemap.com

Home to Work

There are 10,043 employees that live in Downtown Milwaukee. Of these, 72% work outside of the Downtown Study Area. Only 54% of employed Downtown residents work in the City of Milwaukee, while 73% work in Milwaukee County. Generally, people who live Downtown have shorter commutes than those who are commuting into Downtown from elsewhere in the region.



**2014 Jobs by Distance:
Home Census Block to Work Census Block**

	Number of Workers	Percent
<i>Total Primary Jobs</i>	<i>10,043</i>	
Less than 10 miles	7,246	72%
10 to 24 miles	1,928	19%
25 to 50 miles	252	3%
Greater than 50 miles	617	6%

Source: Census Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES); available via onthemap.com

6. OFFICE

Downtown Office Market: Class A, B, and C

As of the first quarter of 2016, the total CBD office market inventory increased by more than 600,000 square feet to 11.9 million square feet when compared to the 2012 inventory. This is due to the construction of a few smaller scale commercial buildings and the new 18-story 833 East Michigan Class A multi-tenant building. Even with an inventory that increased by 5.5% since 2012, the CBD vacancy rate is down to 17% from 21.9% during the same five-year period. The Downtown market is made up of a higher proportion of Class A space than it was in 2012. These trends tie to the conversion of Class B/C space into other uses, as discussed earlier in the housing chapter, which is tightening the Downtown office market. Another result of this adaptive reuse is that there has been an overall compression of total office inventory in Downtown West (for a detailed table of office inventory trends, see the appendix).

Downtown Office Submarkets

There are three submarkets in the Downtown Study Area – Downtown East, Downtown West, and Third Ward/Walker’s Point. Downtown East remains the healthiest office market, with the largest inventory, greatest proportion of Class A space, and the highest lease rates. Over the last five years, Downtown East has added just over 500,000 square feet of inventory. Downtown East also absorbed over 230,000 square feet in the first quarter of 2016. This very large change is due to the completion of the 833 East Michigan office tower, which came online more than 65% leased and is detailed on the following page in the Recent and Proposed Development section.

Both Downtown West and Third Ward/Walker’s Point have a much lower vacancy rate than in 2012; 20.2% down from 32.5% in Downtown West, and 14.3% down from 28.5% in Third Ward/Walker’s Point. Inventory in Downtown West has also decreased over this time period due to office space adaptive reuse to residential and hospitality uses.

HIGHLIGHTS:

Downtown office vacancy rates have decreased to 17% over the last five years during a time period when net new supply was added to the market.

The Downtown office market consists of a higher proportion of Class A space than in 2012.

Many changes in the market are due to the conversion of underused Class B and C office space to other uses.

Downtown East (of the Milwaukee River) remains the healthiest office market, with the largest inventory, greatest proportion of Class A space, and the highest lease rates.

Two major office developments are dramatically changing the office landscape in Downtown – the recently opened 833 East Michigan tower, and the under construction Northwestern Mutual headquarters.

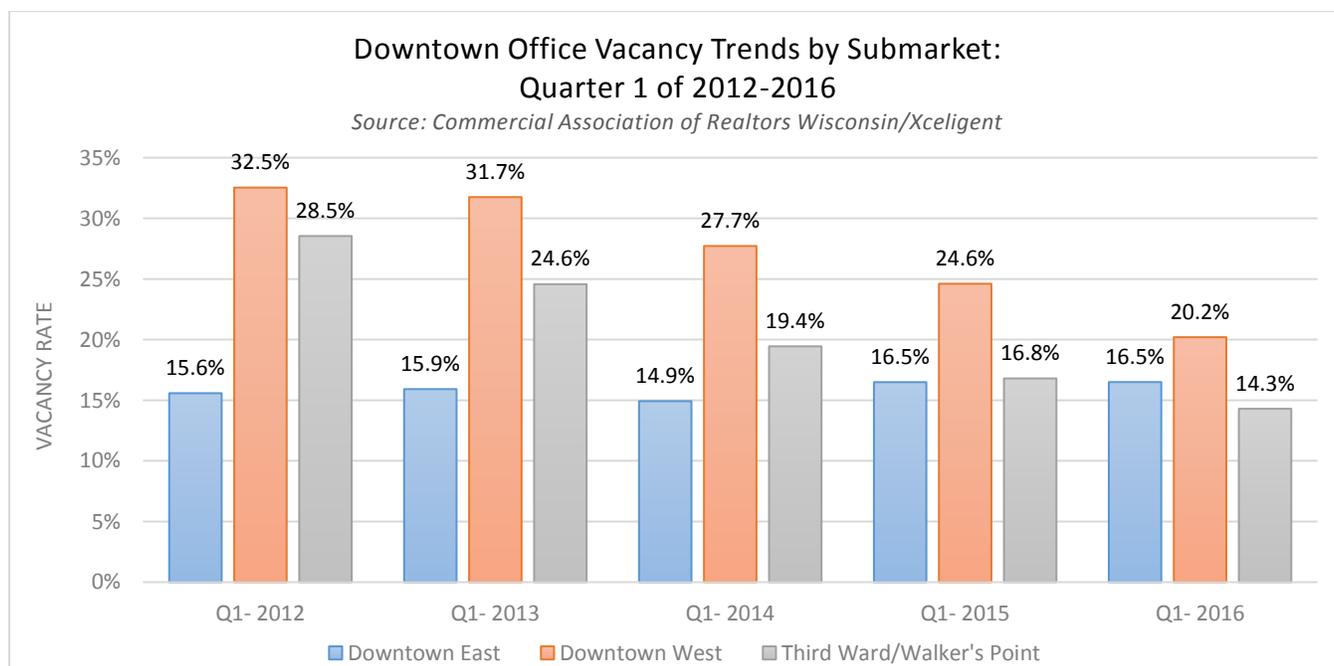
Downtown Milwaukee Office Market Overview: First Quarter 2016

	Number of Buildings	Rentable Area (Inventory - SF)	Vacancy Rate	YTD Total Net Absorption (SF)	Lease Rate (SF)
Downtown East	48	7,205,042	16.5%	242,733	\$25.06
Class A	11	4,623,918	11.1%	230,504	\$26.23
Class B	32	2,360,464	28.0%	12,229	\$22.37
Class C	5	220,660	8.0%	n/a	n/a
Downtown West	21	2,817,340	20.2%	61,127	\$16.72
Class B	21	2,817,340	20.2%	61,127	\$16.72
Third Ward/Walker's Point	28	1,882,452	14.3%	-500	\$19.31
Class A	3	264,664	24.6%	-12,987	\$19.18
Class B	21	1,320,113	12.4%	12,487	\$19.59
Class C	4	297,675	13.2%	n/a	\$16.09
Central Business District	97	11,904,834	17.0%	303,360	\$22.18
Class A	22	6,045,291	14.5%	234,337	\$23.56
Class B	66	5,341,208	20.5%	69,023	\$20.10
Class C	9	518,335	11.0%	n/a	n/a

Source: Commercial Association of Realtors Wisconsin/Xceligent

Downtown Office Vacancy Trends

Downtown office vacancy rates have decreased over the last five years during a time period when net new supply was added to the market. Downtown East has remained stable even with the introduction of a new 358,000 square foot office tower (833 East Michigan) in the first quarter of 2016. Downtown West and Third Ward/Walker's Point both saw major decreases in vacancy over this five-year period, as indicated in the chart below. This drop is anchored by the trend of converting former office space into housing and hotels. At the same time, other non-converted, long-vacant office space is being upgraded in order to secure tenants.



Recent and Proposed Development

The Downtown office market is expected to change dramatically in the next few years. In addition to the continued trend of converting B and C space to residential, there are several major office developments recently completed, under construction, and in planning that are detailed below.

833 East Michigan: This \$102 million project was recently completed and had its first tenants take occupancy in March 2016. As of April 2016, it was over 65% leased. It has 358,000 square feet of office space across 18 floors. This is the first multi-tenant Class A office building constructed in over a decade in Downtown Milwaukee.

Northwestern Mutual World Headquarters: This \$450 million project is currently under construction. At over one million square feet, it will be the largest office building in Wisconsin. This will allow Northwestern Mutual to retain its existing employment base while adding 1,900 new jobs in Downtown.

Laacke & Joys Redevelopment: The five-story, 114,000 square foot office building at the former Laacke & Joys site along the Milwaukee River is actively moving through the City's development approval process. The currently suburban-based, Bader Rutter & Associates will anchor the development and bring its 220 employees from the suburbs to Downtown.



Clockwise from left: Northwestern Mutual Headquarters, 833 East Michigan, and the Laacke & Joy Redevelopment site.

7. RETAIL

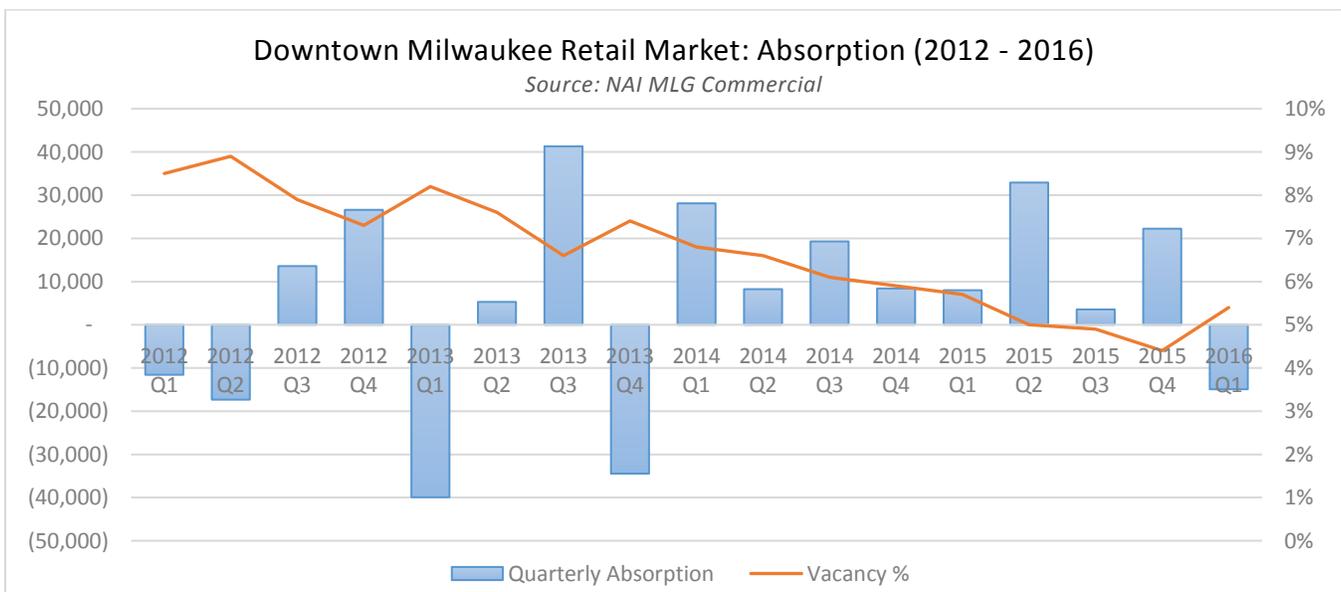
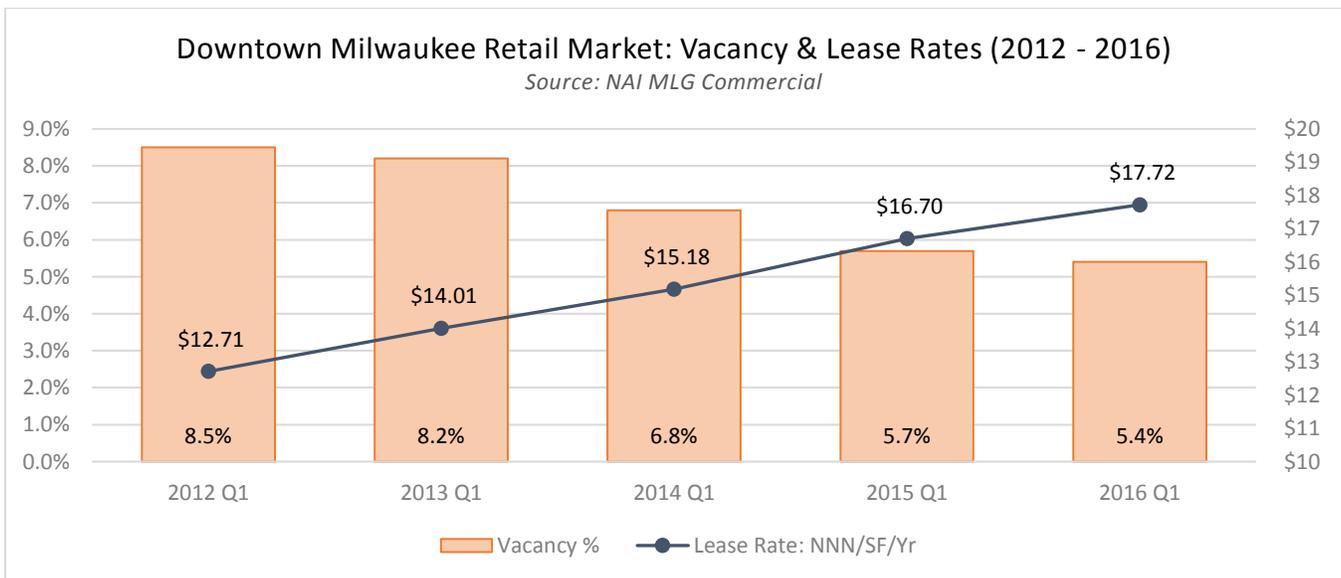
Downtown Milwaukee has seen substantial lease rate increases in the last five years, from \$12.71 NNN/SF in Q1 2012 to \$17.72 NNN/SF in Q1 of 2016. During this same time period, vacancy rates have steadily decreased, from 8.5% to 5.4%. A 5% vacancy rate is considered ideal to allow for movement as leases come due and provide options for retailers looking to increase or decrease their space.

The retail market inventory has remained steady over the last five years. The retail market's drop in vacancy rate is also illustrated in the quarterly absorption chart. Likely as a reaction to a rapidly growing residential base, Downtown Milwaukee recently experienced two full years (2014-2015) of positive absorption each quarter. This was a significant improvement over the prior two year period from 2012 to 2013, when Downtown's retail real estate market was much more volatile.

HIGHLIGHTS:

In Downtown over the last five years, retail lease rates have increased substantially while vacancy rates have steadily decreased.

Eating and drinking places make up nearly half of all existing Downtown retail.



Existing Retail in Downtown

In 2015, there were 659 restaurants, bars, shops, and other retail services dispersed throughout the Downtown Study Area. Eating and drinking places make up nearly half of all existing retail (45%). These are discussed in more detail in the nighttime economy section of this report. Nearly another quarter of Downtown retail is defined as miscellaneous, which includes drugstores, specialty and gift stores, liquor stores, and other similar commercial uses.

Existing Retail in Downtown Milwaukee (2015)

	2015	
	Number of Businesses	% of Total
Eating & Drinking Places	295	44.8%
Miscellaneous Retail*	155	23.5%
Furniture & Home Furnishings	65	9.9%
Apparel & Accessory Stores	56	8.5%
Food Stores	52	7.9%
Home Improvement	15	2.3%
Auto Dealers, Gas Stations, Auto Aftermarket	15	2.3%
General Merchandise Stores	6	0.9%
Total Retail Businesses	659	100.0%

* miscellaneous includes hobby and specialty stores, gifts, jewelry, liquor stores, drugstores, florists, etc.

Source: ESRI BAO, Business Summary

Recent and Proposed Development

Downtown currently has various scattered site retail operations, that in recent history have had little clustering. However, this is changing of late. The Historic Third Ward has become a bona fide retail hub attracting people from throughout the City and region. Some major residential projects are also bringing retail as a secondary component that will benefit new and existing residents and workers in surrounding areas. Lastly, the locations of new and proposed retail development shows potential clustering in close proximity of the streetcar line.

Broadway in the Historic Third Ward: The Historic Third Ward has become the epicenter of Downtown retail. Many upscale national retailers have located here in recent years, marking their first presence in Milwaukee (and in many cases, Wisconsin). Current national retailers include Anthropologie (one of the first to locate in the Historic Third Ward several years ago), Restoration Hardware, West Elm, Lululemon, and Kit & Ace. As vacancies fall to historic lows in the Third Ward, adjacent neighborhoods in Downtown will have opportunities to capture new retail. Further, there is the opportunity for other Downtown neighborhoods with lower rent structures to capture local retailers that are being priced out of the Third Ward.

The Shops of Grand Avenue: Under the plans released in April 2016, this site is slated for reinvention into a mixed-use center rather than a traditional retail-focused mall. The second and third floors are planned for conversion into as much as 120,000 square feet of office space. The former food court will be reconfigured in a new concept and moved to the ground floor, and designed as an urban marketplace with a variety of dining, drinking, and vendor options. Physical design changes will provide better accessibility, opening the development to surrounding sidewalks and streets.¹³



Broadway streetscape in the Historic Third



Renderings of the Shops at Grand Avenue

¹³ <https://www.biztimes.com/2016/04/25/shops-of-grand-avenue-owners-reveal-future-plans/>

Retail in Major Residential Developments

The Couture, profiled in the housing chapter, is expected to have 50,000 square feet of retail space on its ground floors. The *Northwestern Mutual Apartments* project is also expected to have approximately 10,000 square feet of ground floor retail. In addition, the Milwaukee area's first Fresh Thyme Market grocery store is planned to open in the summer of 2016 in the Upper Water Street District of the Park East corridor in the third phase of The North End neighborhood development.

8. MOBILITY AND CONNECTIVITY

Mobility and connectivity was the most frequently discussed topic throughout the focus groups. Participants emphasized the need to improve mobility within Downtown and connectivity between activity hubs, something that is made challenging given Downtown's large footprint. Currently, Downtown is characterized as auto-centric, but there are several efforts underway that are designed to establish a more balanced, multimodal system. These include the initial Milwaukee Streetcar route and planned extensions, potential realignment of existing bus routes, adding bus rapid transit, and the ongoing development of BublR Bikes, the city's bike-share program, in Downtown Milwaukee.

The Milwaukee Streetcar

Phase 1 of the Milwaukee Streetcar has received all approvals, and construction is expected to begin in mid-2016. The Phase 1 Route is projected to open in 2018. The Lakefront Line Extension is anticipated to open in 2019. The Streetcar's primary benefit is to enhance connectivity and unlock the economic development potential of underutilized sites and buildings. It will connect the Milwaukee Intermodal Station to the Historic Third Ward, East Town, the Lakefront, and the Lower East Side. It will also be complemented by existing bus routes and bike lanes. The Streetcar is expected to improve mobility both directly, by providing rides between otherwise disconnected nodes of activity in Downtown; and indirectly, by encouraging new development and density along its route leading to a more walkable, cohesive urban environment. City officials are currently analyzing and prioritizing potential expansion routes, and in April 2016 submitted a TIGER grant application to the Federal Department of Transportation for the matching funds to install a line from the Intermodal Station north along 4th and 5th Streets to the Arena District.

HIGHLIGHTS:

Mobility and connectivity was the most frequently discussed topic throughout the focus groups.

There are several efforts underway Downtown that are designed to establish a more balanced, multimodal system.

The Streetcar is expected to improve mobility both directly, by providing rides between otherwise disconnected nodes of activity; and indirectly, by encouraging new development and density along its route leading to a more walkable, cohesive urban environment.



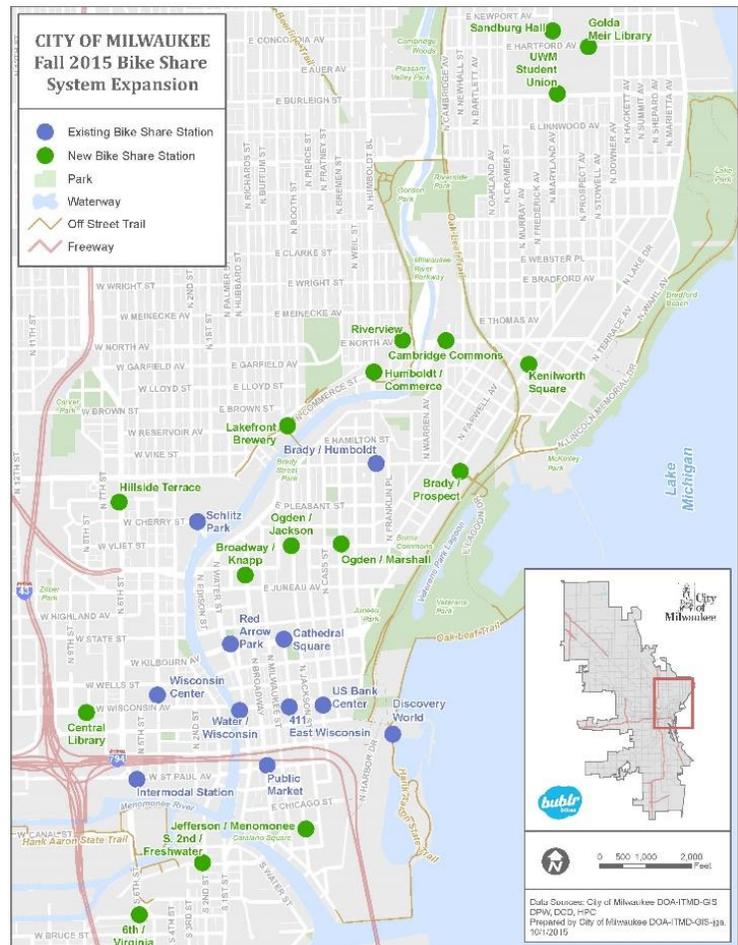
The Milwaukee Streetcar route map. Phase 1 (blue), the Lakefront Extension (green), and potential future expansions (red) are shown.

BublR Bikes¹⁴

BublR Bikes, Milwaukee’s bike-share system, opened in 2014 with ten original stations, all of which were in the Downtown area and concentrated primarily in East Town. The system has since expanded quickly to 40 stations as of Spring 2016, with continued plans for expansion. There were 21 stations in the Downtown area as of late 2015. In the last year BublR has expanded into nearby neighborhoods north, south, and west of Downtown and to the UWM and Marquette campuses. The 2015-16 winter was the first time it was open year-round; it has previously shut down from December through mid-March. As the program has grown, ridership has as well. In 2015 there were a total of almost 23,000 BublR rides. Through just April 2016, there have been approximately 8,500 rides, with the summer months yet to come.

Downtown Mobility

Walk Score™ is a patented system used to measure a location or neighborhood’s walkability, bikeability, and transit accessibility based on a 0-to-100 point scale. The Walk Scores for Downtown neighborhoods are shown in the table below. Relative to Milwaukee, the



BublR Bikes system map

Mobility: Downtown Neighborhoods

Neighborhood	Walk Score	Transit Score
East Town/Juneau Town	94 <i>Walker's Paradise</i>	67
Yankee Hill	90 <i>Walker's Paradise</i>	63
Westtown/Kilbourn Town	88 <i>Very Walkable</i>	68
Haymarket*	86 <i>Very Walkable</i>	65
Schlitz Park*	85 <i>Very Walkable</i>	62
Historic Third Ward	84 <i>Very Walkable</i>	64
Hillside	75 <i>Very Walkable</i>	62
Downtown Neighborhood Avg.	86 <i>Very Walkable</i>	64
Citywide	59 <i>Somewhat Walkable</i>	49

* neighborhood score not available; estimate based on centralized point location
 Source: walkscore.com

Peer City Comparison

	Walk Score	Transit Score	Bike Score
Downtown Pittsburgh	94	97	70
Downtown Cincinnati	91	78	54
Downtown St. Louis	89	66	67
Downtown Cleveland	87	84	57
Downtown Milwaukee (average)*	86	64	n/a
Downtown Loop, Kansas City	84	70	67
Downtown Indianapolis	76	56	87

* Downtown score not available; average of all Downtown neighborhoods

Source: walkscore.com

¹⁴ <http://bublrbikes.com/>

Downtown neighborhoods are the most walkable, along with nearby neighborhoods like the Lower East Side and Murray Hill. East Town and Yankee Hill are the most walkable Downtown neighborhoods. Downtown is also better for transit access relative to the rest of the City, however, there is more room for improvement here as the lower numbers illustrate.

Compared to its peer cities' downtowns, Downtown Milwaukee is average in terms of walkability. It is below average in terms of transit access and options, something which is already slated to improve with the construction of the Streetcar. Bike Scores were not available in Milwaukee, but are provided for peer cities to give a better sense of how cities are responding to a growing biking community and their needs. Milwaukee is however recognized as a bronze level "Bicycle Friendly Community" by the League of American Bicyclists. On its scorecard for this award, the city scores highest in public education outreach, active bicycle advisory committee, and bicycle-friendly laws and ordinances.¹⁵

¹⁵ The League of American Bicyclists, <http://www.bikeleague.org/bfa/awards>

9. HOSPITALITY AND TOURISM

The hospitality, convention, and tourism industries are an important component of the Downtown Milwaukee economy. A critical indicator of Downtown’s health is the ability to accommodate and attract events, conventions, and leisure travelers. According to Visit Milwaukee, in 2015, Milwaukee County tourism sales accounted for \$3.3 billion in total business sales that generated \$223 million in state and local taxes, which is up almost 4% over the prior year. Much of this positive economic activity is concentrated in Downtown Milwaukee. In addition, total tourism employment accounted for 31,000 full-time employees and more than \$1.1 billion in labor income.¹⁶

Even with this large economic impact, the Wisconsin Center, Downtown Milwaukee’s major convention facility which offers 189,000 square feet of convention space, is quickly becoming less competitive as upgraded, larger facilities in peer markets are coming online, illustrated in the peer city comparison chart. The decrease in convention attendees since 2013 is also indicative of the increasing competitive convention market. The Wisconsin Center was originally planned with a third phase in mind. Focus group participants regularly pointed to this expansion project as necessary in order for the Milwaukee region to be able to compete for a larger level of convention activity and the spinoff economic activity that accompanies the hospitality, tourism, and convention industry.

Downtown Convention Centers: Peer City Comparison

	Convention Center Name	Exhibit SF
Indianapolis	Indiana Convention Center	558,000
St. Louis	America's Center Convention Complex	485,000
Pittsburgh	David L. Lawrence Convention Center	312,756
Kansas City	Kansas City Convention Center	287,820
Cincinnati	Duke Energy Convention Center	195,320
Milwaukee	Wisconsin Center	188,695

Note: Cleveland was not used as a peer city in the Hunden Study

Source: Hunden Strategic Partners

Convention Attendance

Milwaukee saw steady growth in convention attendance from 2007 to 2013, when it peaked. Total room nights affiliated with conventions have been more consistent since 2007, also peaking in 2013, and decreasing each of the last three years. Since 2007, attendance has increased 150% and room nights have increased 18%. In 2015, there was an increase in smaller programs booked in the very short-term, and larger conventions booking further out.¹⁷

¹⁶ Visit Milwaukee 2015 Annual Report

¹⁷ The convention attendance and hotel room stays only accounts for events booked through VISIT Milwaukee, and doesn't account for others booked directly through hotels that have their own convention space.

HIGHLIGHTS:

Milwaukee County tourism sales accounted for \$3.3 billion in total business sales that generated \$223 million in state and local taxes. Much of this activity is concentrated in Downtown.

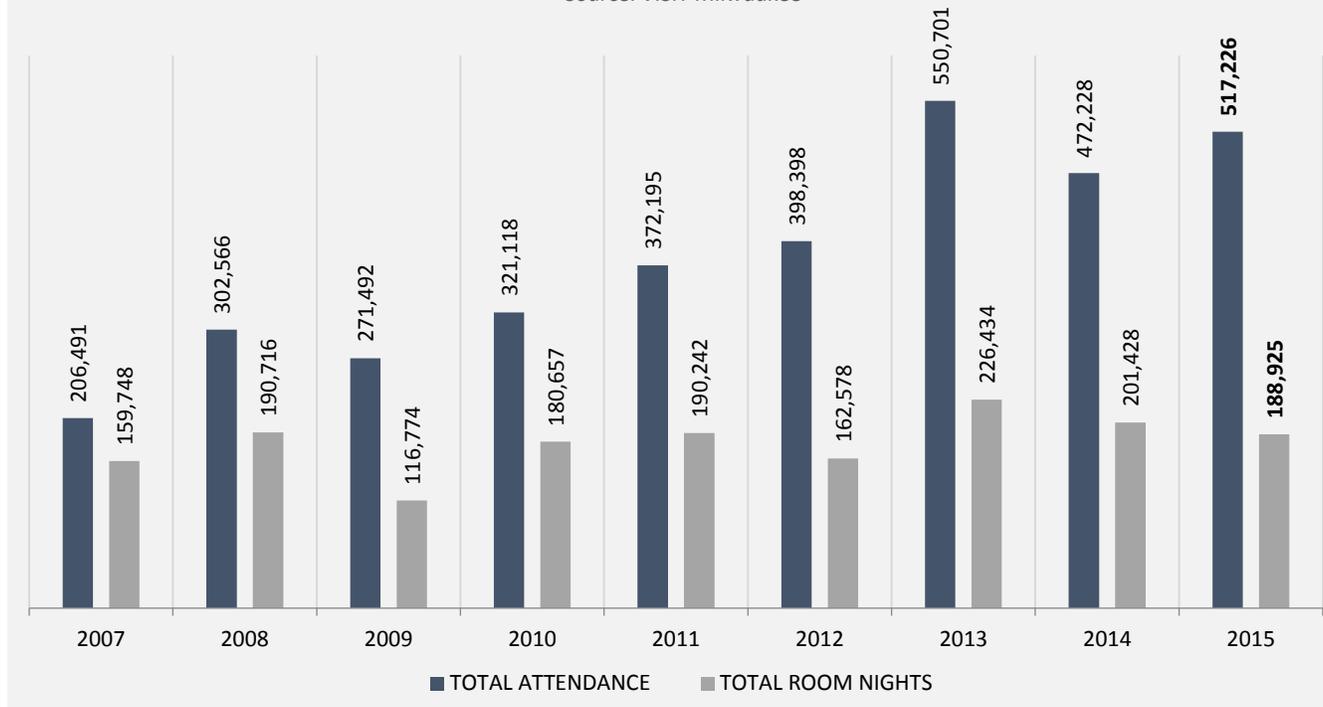
Since 2007, convention attendance has increased 150% and room nights have increased 18%.

From 2008 to 2016, the number of hotel rooms in the greater Downtown area will have grown from 3,125 to 4,501.

There are multiple hotels either recently completed or under construction in Downtown Milwaukee, including several that are adaptively reusing former commercial buildings.

Convention Attendance & Hotel Room Stays

Source: VISIT Milwaukee



Hotels¹⁸

From 2008 to 2016, the number of hotel rooms in the greater Downtown area will have grown from 3,125 to 4,501 in response to strong weekday corporate demand, high leisure travel (particularly from June through September), and un-accommodated peak season demand that has historically been pushed out to suburban hotels.¹⁹ Downtown hotels averaged a 65.9% occupancy in 2015. The average daily rate (ADR) increased 5.3% to \$133.14, and RevPAR²⁰ slightly increased 0.2% to \$87.70. Downtown Milwaukee hotels performed better than the US average (65.6% occupancy, \$120.01 ADR, and \$78.87 RevPAR). Trends in these key indicators will be important as supply continues to grow in the Downtown hospitality market. Continuing to foster an environment that grows the corporate, convention, and tourism demand generators is essential.

Recent and Proposed Development

Several new hotels have recently opened and more are under construction in Downtown Milwaukee:

Kimpton Journeyman: Opened in June 2016, this is the first hotel in the Historic Third Ward and the first Kimpton brand hotel in Wisconsin. The nine-story, 158-room hotel will include meeting rooms, a rooftop lounge, and a street-level restaurant.



Kimpton Journeyman

¹⁸ VISIT Milwaukee

¹⁹ Arrival Partners

²⁰ RevPAR (revenue per available room) is a common performance metric in the hospitality industry, calculated by multiplying a hotel's average daily rate by its occupancy rate.

Westin: This \$50 million project is currently under construction. It will be adjacent and connected via skywalk to 833 East Michigan and the US Bank Center. The ten-story, 220-room hotel is scheduled to open in summer 2017, and will include 9,000 square feet of meeting space and supporting amenities.

SpringHill Suites: This project located in Westtown next to the Wisconsin Center opened in June 2016. It is an adaptive reuse of a former office building and includes 150 suites along with underground parking, meeting space, a fitness center, and approximately 6,900 square feet of ground floor retail and restaurant space.

Hilton Garden Inn: This is one of several recently completed adaptive reuses of a historic commercial building that introduced new hotel rooms as part of the wave of hotel growth in Downtown Milwaukee.



Hilton Garden Inn



Westin



SpringHill Suites

10. ARTS, CULTURE, AND ENTERTAINMENT

Milwaukee remains a regional destination for the performing arts, festivals, sporting events, and cultural attractions. The following table shows attendance numbers for many major Downtown attractions that account for more than six million annual visitors. These are spread throughout the Study Area. In addition, several major attractions near the Study Area are included that bring in nearly 12 million annual visitors. These venues generate a substantial number of visitors to Milwaukee, and have a trickle-over effect into the Downtown hospitality industry. The Potawatomi Casino is the most-visited attraction in Milwaukee with over six million visitors in 2015.

In addition, Downtown and its adjacent neighborhoods are home to nearly a dozen other smaller museums that have an organized consortium to help promote and raise awareness of their various offerings. The museums that are part of the consortium include: MSOE's Grohmann Museum, Milwaukee County Historical Society, Haggerty Museum, Chudnow Museum, Northpoint Lighthouse, Milwaukee Transit Museum and Archives, The Milwaukee Domes, The Pabst Mansion, Jewish Museum of Milwaukee, Villa Terrace Decorative Arts Museum, and Charles Allis Art Museum. This network of art, history, and cultural assets combine with the larger institutions (shown in the table) to provide a variety of museum options in the greater Downtown area.

The Henry Maier Festival Grounds, during the 11-day Summerfest music festival (which holds the title of *the world's largest music festival*) and other summer festivals, attracts the most visitors amongst Downtown cultural destinations. The BMO Harris Bradley Center also draws more than a million visitors annually. The Pabst Theater Group has resurrected the Riverside Theater, Pabst Theater, and Turner Hall Ballroom into Downtown concert and show destinations, which continue to attract larger audiences each year. Milwaukee is also home to the world-class Milwaukee Symphony Orchestra, which is a large contributor to the more than 550,000 visitors that the Marcus Center for the Performing Arts had in 2015. The Milwaukee Art Museum recently completed a \$31 million expansion and the Milwaukee Public Museum recently reopened the 50-year-old "Streets of Old Milwaukee" exhibit after a \$1 million renovation.

Milwaukee is home to numerous ethnic and street festivals that are primarily held during the warmer months. Other growing, newer events include the Night Market on West Wisconsin Avenue organized by NEWaukee, a young professional group, which attracts approximately 40,000 people over the course of its four summer evenings. Also, the Historic Third Ward Association leads the effort in organizing quarterly Gallery Nights, which showcases over 50 local galleries and artists.

HIGHLIGHTS:

Major Downtown cultural attractions account for more than six million annual visitors.

Several other major attractions near Downtown bring in nearly 12 million annual visitors.

The new Bucks arena – a catalytic project for Downtown as a whole – is expected to begin construction in June 2016 and open for Bucks games in 2018.



Night Market, looking east on Wisconsin Avenue

Cultural Attraction Visitor Attendance (2015)

Downtown Cultural Facilities and Attractions	Attendance
Betty Brinn Children's Museum	236,068
BMO Harris Bradley Center	1,100,000
Discovery World	300,000
Henry W. Maier Festival Grounds (Summerfest Grounds)	1,197,357
Marcus Center for the Performing Arts	557,202
Milwaukee Art Museum	350,000
Milwaukee County Historical Society	28,000
Milwaukee Public Library (Central Branch)	471,306
Milwaukee Public Museum (includes IMAX Theater)	500,000
Milwaukee Repertory Theater	225,000
Pabst Theater, Riverside Theater, Turner Hall Ballroom	498,400
Skylight Theater & Broadway Theatre Center	41,600
Grohmann Museum at Milwaukee School of Engineering	23,000
Wisconsin Center District venues (UWM Panther Arena, Wisconsin Center, Milwaukee Theater)	650,000
Near-Downtown Cultural Facilities and Attractions	Attendance
Harley-Davidson Museum	250,000
Mitchell Park Horticultural Conservatory/The Domes	235,000
Milwaukee Brewers Baseball Club	2,997,384
Milwaukee County Zoo	1,267,356
Potawatomi Bingo Casino	6,004,422
Wisconsin State Fair	1,033,053

Source: Individual venues, Milwaukee Business Journal 2015-2016 Book of Lists

Recent and Proposed Development

Arena District: The new \$524 million Bucks arena began construction in June 2016, and is expected to be completed in August 2017, and be open for the 2018-2019 NBA season.²¹ The first phase of the development will also include a 1,200-space parking structure, partially wrapped by multi-family apartments and a 55,000 square foot training center. The arena is expected to generate \$500 million in new mixed-use development in the Park East Corridor, and be a catalytic project for Downtown as a whole.



New Bucks Arena rendering

²¹ <https://www.biztimes.com/2016/04/13/bucks-sign-30-year-lease-agreement-with-wisconsin-center-district/>

11. EDUCATION

Downtown Milwaukee and its nearby neighborhoods are home to public and private four year and two year universities and colleges that have an enrollment of more than 67,000 students. In addition, downtown Milwaukee is also home to several for-profit post-secondary educational institutions including Bryant & Stratton College, DeVry University, Kaplan College, Kaplan University, Springfield College, and The Art Institute of Wisconsin (which will close around 2021).

Students in Downtown are an important part of the local economy. Many students rent on and off-campus apartments and are partly responsible for the strong Downtown residential market. Students are also active socially, supporting local retailers, nighttime economy establishments, and attend festivals and cultural events. They are also a major piece of the future workforce for Downtown and surrounding area companies.

Institutions like Marquette University and the University of Wisconsin-Milwaukee are important gateways to attract area and out-of-state college-bound students to Milwaukee. In order to retain these individuals after graduation, there have been a variety of initiatives including, The Commons.²² The Commons is a partnership lead by the Greater Milwaukee Committee as an opportunity for students from 22 of Southeastern Wisconsin's colleges and universities to collaborate, and build relationships and mentorships while working on real-world projects. The Commons aims to connect students seamlessly with post-college opportunities to help retain them in Milwaukee.

Recent and Proposed Development

Marquette University Athletic Performance Research Center: Marquette University is planning to break ground in 2017 on a \$120 million, 250,000 to 300,000 square foot state-of-the-art athletic performance research center on 12 underutilized acres that are currently largely vacant.

The site is bound by North 6th and 10th Streets, West Michigan Street, and the Marquette Interchange. Marquette most recently announced a \$40 million capital investment from Aurora Health Care. The Center is expected to serve as a world-class destination for scientific research in athletics and human performance. This development is noteworthy as it marks a major Marquette University investment to the east of Interstate 43 within the Study Area. It will serve as a catalyst that will likely spin off additional residential and commercial development and produce positive momentum in the Westown neighborhood, particularly along West Wisconsin Avenue.

HIGHLIGHTS:

There are more than 67,000 students enrolled in universities and colleges in Downtown and its nearby neighborhoods.

Marquette's Athletic Performance Research Center will be its first major investment to the east of I-43 within Downtown.

Downtown Milwaukee Educational Institutions (2015)

Educational Facility	Total Enrollment	Type
Marquette University	11,491	Four Year: Private
Milwaukee Institute of Art & Design	740**	Four Year: Private
Milwaukee School of Engineering	2,589	Four Year: Private
University of Wisconsin–Milwaukee	27,156	Four Year: Public
Milwaukee Area Technical College – Downtown Milwaukee campus*	25,696	Two Year: Public

* Some students enrolled in the Downtown Milwaukee campus may also attend courses at the other MATC facilities.

** 2014 enrollment figure provided by the Greater Milwaukee Committee.

Source: Greater Milwaukee Committee, various 2015 Annual Reports



The Marquette University Athletic Performance Research Center, looking east

²² www.thecommonswi.com

12. NIGHTTIME ECONOMY

A strong nighttime economy and entertainment offerings are an important consideration when people are choosing where to live, especially younger generations. In a 2015 survey of millennials living in southeastern Wisconsin, 60% of respondents cite the variety of entertainment and nightlife as important in considering whether to live in the city.²³ Downtown generally has four established entertainment zones or districts – Old World Third Street, Water Street, Milwaukee Street, and the Cathedral Square area. With several recent additions, the Historic Third Ward is also evolving into a neighborhood with a vibrant entertainment element.

The nighttime economy is a critical component of the overall Downtown economy, as illustrated by over \$200 million in total sales for Downtown eating and drinking establishments.²⁴ There are more eating and drinking businesses in Downtown than any other type of retail. Overall, food and drink sales represent a quarter of all retail sales Downtown. There are nearly 300 food and drink businesses in Downtown that employ over 5,500 people. Drinking places represent 16% of total food and drink sales.

ESRI estimates supply, demand, and leakage/surplus for various retail sectors. While demand from Downtown residents is \$40 million for the food and drink sector, supply (i.e. total sales) is \$212 million. This means that residents from other parts of the metro area, visitors to Milwaukee, and workers during the day make up a majority of the sales (\$172 million) at Downtown eating and drinking establishments. Drilling down to drinking places specifically, this subsector has the largest surplus of all subsectors Downtown. Simply, the nighttime economy is a big component of the tourism economy in Downtown Milwaukee.

Downtown Food & Drink Sector (2015)

Number of Businesses	295
<i>% of Downtown Total</i>	<i>7.5%</i>
Number of Employees	5,545
<i>% of Downtown Total</i>	<i>6.2%</i>
Supply (total sales)	\$212 million
Demand (from Downtown Residents only)	\$40 million
Sales Surplus*	\$172 million

* A surplus of sales means that customers are drawn in from outside of the Downtown Study Area; this is the amount of sales they are responsible for

Source: ESRI BAO, Business Summary & Retail MarketPlace Profile



The Riverside Theatre, a Downtown live music venue that recently underwent renovations

HIGHLIGHTS:

There are nearly 300 food and drink businesses in Downtown.

Based on local surveying, there are an estimated \$240 million in annual sales, over 15 million annual patrons, and nearly 6,000 total full and part-time employees at Downtown nighttime economy establishments.

To supplement ESRI estimates, local nighttime economy establishments were surveyed to collect annual sales totals, number of employees, and number of patrons. These numbers were aggregated, then averaged and extrapolated to estimate the nighttime economy's impact in Downtown. Based on these surveys, there are an

²³ Public Policy Forum, "My Generation: Surveying the Views of Millennials in Metro Milwaukee"

²⁴ ESRI BAO, Business Summary and Retail MarketPlace Profile

estimated \$240 million in annual sales, over 15 million annual patrons, and nearly 6,000 total full and part-time employees.

Proposed Development

The *Bucks "Live" Block* will be a new 50,000 square foot entertainment zone located directly across from the new Milwaukee Bucks arena and one block away from Old World Third Street. It is expected to include a mix of local, regional, and possibly national drinking and eating establishments, along with other commercial activity. It will also contain a public plaza and passageways that connect the new arena to Old World Third Street and other surrounding neighborhoods.



The new Bucks arena and "Live" Entertainment Block

2014 Downtown Milwaukee Demographics by Census Tract

	110	111	113	114	141	143	144	1860	1863	1874	Lakefront*	MU Gateway*
Population	3,297	1,611	1,877	1,235	1,590	2,515	2,743	1,504	2,910	2,711	3,116	850
2010	3,428	1,481	1,829	1,137	1,551	2,297	2,612	1,451	3,268	2,341	3,070	870
% change since 2010	-3.8%	8.8%	2.6%	8.6%	2.5%	9.5%	5.0%	3.7%	-11.0%	15.8%	1.5%	-2.3%
Households	2,392	965	1,092	807	711	1,780	1,464	787	871	1,650	2,150	30
2010	2,282	984	1,002	684	645	1,698	1,389	733	746	1,393	2,111	30
% change since 2010	4.8%	-1.9%	9.0%	18.0%	10.2%	4.8%	5.4%	7.4%	16.8%	18.4%	1.8%	0.0%
Avg. Household Size	1.38	1.63	1.35	1.53	2.24	1.41	1.54	1.73	1.59	1.51	1.32	4.03
2010	1.34	1.49	1.47	1.66	2.4	1.35	1.49	1.81	1.61	1.51	1.32	4.07
Median Age	30.1	28.9	32.4	30.3	28.1	32.3	27.4	47.4	30.5	31.3	41.9	19.6
2010	33.9	29.4	29.1	29.4	23.5	32.3	26.8	40.1	30.7	30.9	40.9	19.6
Median Household Income	\$30,210	\$36,528	\$37,300	\$64,750	\$22,232	\$42,870	\$64,231	\$13,325	\$50,179	\$79,643	\$44,501	\$25,000
2010	\$33,589	\$43,969	\$24,886	\$72,462	\$15,911	\$44,441	\$58,405	\$11,495	\$70,203	\$76,163	n/a	n/a
% change since 2010	-10.1%	-16.9%	49.9%	-10.6%	39.7%	-3.5%	10.0%	15.9%	-28.5%	4.6%	n/a	n/a
Families below Poverty Level	24.4%	6.4%	3.6%	0.0%	45.6%	1.7%	0.0%	30.8%	0.0%	3.1%	n/a	n/a
2010	0.0%	27.3%	0.0%	21.1%	57.4%	6.0%	0.0%	25.3%	0.0%	3.2%	n/a	n/a
Bachelor's Degree or Higher	55.9%	69.0%	53.6%	63.6%	12.4%	70.0%	84.1%	12.8%	28.2%	73.0%	68.9%	79.6%
2010	57.1%	70.3%	48.3%	79.8%	14.0%	67.9%	81.4%	20.4%	34.3%	61.3%	n/a	n/a
Male	47%	50%	57%	60%	38%	50%	57%	45%	76%	49%	46%	43%
2010	51%	56%	57%	51%	39%	54%	60%	47%	78%	54%	46%	43%
Female	53%	50%	43%	40%	62%	50%	43%	55%	24%	51%	54%	57%
2010	49%	44%	43%	49%	61%	46%	40%	53%	22%	46%	54%	57%
White	82.3%	86.6%	85.2%	80.1%	18.8%	84.7%	79.9%	13.0%	47.6%	89.4%	83.4%	80.5%
2010	79.1%	85.7%	85.9%	79.3%	14.2%	90.8%	78.7%	12.2%	49.2%	89.1%	85.5%	82.7%
African American	10.3%	3.8%	8.4%	17.8%	79.5%	5.8%	6.4%	82.5%	44.6%	4.6%	6.6%	11.1%
2010	12.9%	5.7%	7.1%	12.4%	80.8%	4.7%	9.3%	85.8%	44.9%	5.4%	6.0%	10.0%
Asian & Pacific Islander	4.8%	3.5%	2.0%	0.9%	0.0%	6.1%	10.5%	0.0%	1.1%	1.1%	7.3%	5.4%
2010	3.6%	4.7%	3.7%	3.6%	0.5%	3.3%	11.5%	0.3%	2.4%	3.5%	6.2%	4.6%
American Indian	0.0%	0.6%	0.0%	0.0%	0.0%	0.4%	0.6%	0.3%	0.8%	0.3%	0.2%	0.5%
2010	1.1%	0.3%	0.4%	0.5%	0.5%	0.0%	0.6%	0.3%	0.9%	0.1%	0.2%	0.5%
Other (incl. 2+ races)	2.5%	5.5%	4.4%	1.2%	1.7%	3.0%	2.6%	4.3%	5.8%	4.6%	2.6%	2.5%
2010	3.1%	3.7%	2.8%	4.1%	4.1%	1.2%	0.0%	1.4%	2.7%	1.9%	2.2%	2.2%
Hispanic Origin	1.2%	5.5%	6.8%	2.1%	6.5%	9.5%	4.2%	0.0%	6.6%	5.4%	4.0%	7.9%
2010	4.3%	5.1%	4.1%	5.6%	6.5%	1.4%	3.1%	1.9%	5.0%	3.4%	3.3%	6.4%

* The Lakefront and MU Gateway districts are custom made and do not align with Census tracts. Data available for these districts are 2015 estimates, collected from ESRI.

Source: 2010-2014 American Community Survey 5-Year Estimates; ESRI BAO, Community Profile

Downtown Milwaukee Office Market Inventory

	Q1- 2012	Q1- 2013	Q1- 2014	Q1- 2015	Q1- 2016	Net Office Inventory Change (Q1 2016 - 2012)
Downtown East	6,703,040	6,733,832	6,733,832	6,847,042	7,205,042	502,002
Class A	4,265,918	4,265,918	4,265,918	4,265,918	4,623,918	358,000
Class B	2,270,780	2,301,572	2,301,572	2,360,464	2,360,464	89,684
Class C	166,342	166,342	166,342	220,660	220,660	54,318
Downtown West*	2,848,984	2,713,423	2,710,298	2,817,340	2,817,340	-31,644
Class A	1,037,108	1,037,108	1,037,108	1,156,709	1,156,709	119,601
Class B	1,811,876	1,676,315	1,673,190	1,660,631	1,660,631	-151,245
Third Ward/Walker's Point	1,734,103	1,734,103	1,677,902	1,882,452	1,882,452	148,349
Class A	264,664	264,664	264,664	264,664	264,664	0
Class B	1,171,764	1,171,764	1,115,563	1,320,113	1,320,113	148,349
Class C	297,675	297,675	297,675	297,675	297,675	0
Central Business District	11,286,127	11,181,358	11,122,032	11,546,834	11,904,834	618,707
Class A	5,567,690	5,567,690	5,567,690	5,687,291	6,045,291	477,601
Class B	5,254,420	5,149,651	5,090,325	5,341,208	5,341,208	86,788
Class C	464,017	464,017	464,017	518,335	518,335	54,318

Source: Commercial Association of Realtors Wisconsin / Xceligent

* Starting in 2016, Xceligent will be reclassifying the office inventory in Downtown West to include all the buildings in the Class B category.