

# REAL RESULTS

Building Investment, Jobs & Prosperity in Milwaukee's Downtown



BID #21

## Good Morning,

In this edition of Real Results, we sit down with Darryll Simpson, manager of the company operating The Hop streetcar system. Although Darryll just left Milwaukee for a new transportation project, we were eager to get an outsider's perspective on all the changes that are underway in our city.

With all the talk about Opportunity Zones, we put together a marketing kit to showcase the shovel-ready sites located in downtown Milwaukee that can leverage this new tool. You will be surprised to see all the sites that are poised for development that take advantage of this new incentive program.

In the By The Numbers section, we provide you with an updated estimate on downtown's growing population. With thousands of new units added since 2010, we did some analysis to provide stakeholders with a real-time approximation of how many people are currently living downtown. Plus, with multiple projects under construction, we expect this trend to continue!

Following the recent groundbreaking, we spotlight downtown's latest Class A office building that started construction - The Huron Building. This latest project from J. Jeffers & Co. is anchored by law firm Husch Blackwell and is a key development leveraging immediate proximity to The Hop.

Finally, check out the progress at HUB640 at an event on May 15. HUB640 is at the center of the Westtown revitalization progress and this event will highlight several of the projects that are making this downtown's premier neighborhood.

As always, thanks for reading!

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## PROJECT SPOTLIGHT - The Huron Building Breaks Ground

The Huron Building, located on the corner of Broadway and Clybourn streets, officially broke ground on May 2. The build out of the new \$60 million, 160,000-square-foot, 11-story mixed-commercial office building is headed by J. Jeffers & Co., and law firm Husch Blackwell is anchoring the development by occupying approximately 70,000 square feet. The building also includes a parking structure and first-floor retail and restaurant space.



This is a key site in East Town on the Broadway corridor and is important in continuing to strengthen the physical and psychological connection between the Historic Third Ward and the Central Business District. Broadway Street is the central spine of the East Side Commercial Historic District that is bound by Clybourn, Milwaukee, Water, and Wisconsin Avenue. The area is classified as a catalytic project area in the [2010 Downtown Master Plan](#) and has been a focus for developers and investors in recent years. J. Jeffers & Co. is one of the earliest pioneers with a \$12+ million investment in bringing new life to the Mackie Building, which is directly north of The Huron Building.

Accompanying the private investment, transportation improvements, like the Hop streetcar system traversing the Broadway corridor, have been key in the area. Several developers, including Josh Jeffers and Mark Irgens (who is building the \$137 million BMO Harris Financial Centre three blocks north of The Huron Building), have affirmed the proximity to the streetcar as an asset to their project. Irgens stated in a Milwaukee Business Journal article, "I'm very bullish on the streetcar and the positive impacts that it will have on downtown."

In addition to the new transportation mode connecting the District, it is expected that an upgraded streetscape package will accompany The Huron Building and will set the tone for future aesthetics of the District as it continues to attract private investment and public projects. This will mark

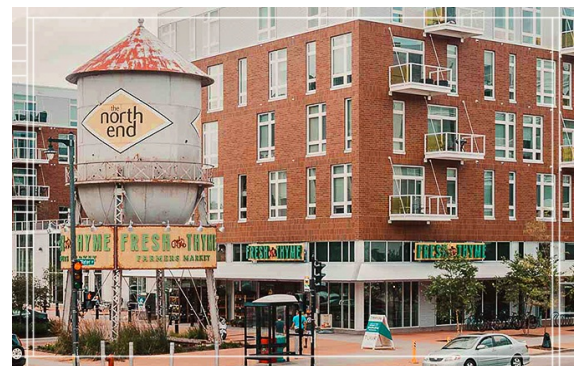


## 32,046 Downtown Residents mark a 26.5% increase in population since 2010

Thousands of new multi-family housing units have led to an estimated 26.5% increase in the downtown residential population since 2010, bringing the tally to more than estimated 32,000 downtown area residents.

Using commonly accepted industry standards for stabilized occupancy rates, average household size, along with the 4,811 multi-family units that have been complete in the downtown area since 2010, we estimate that 6,625 residents have been added to the downtown area.

According to the 2010 Census, the 13 full and partial Census Tracts that comprise the downtown area, as used in the latest Downtown Market Analysis, had a population of 25,335 residents. However, it is easy to see, based on the unprecedented level of multi-family developments, that downtown's population has spiked in recent years.



Following numerous requests from various stakeholders seeking an updated estimate of downtown Milwaukee's residential population, we took an in-depth look at new growth since the 2010 Census, consulted with industry professionals, established assumptions, and conducted an analysis to provide an updated unofficial estimate of the downtown area population.

The details of the analysis for the downtown area and greater downtown area estimated populations, as well as projected population growth, based on developments under construction and in the pipeline, can be found



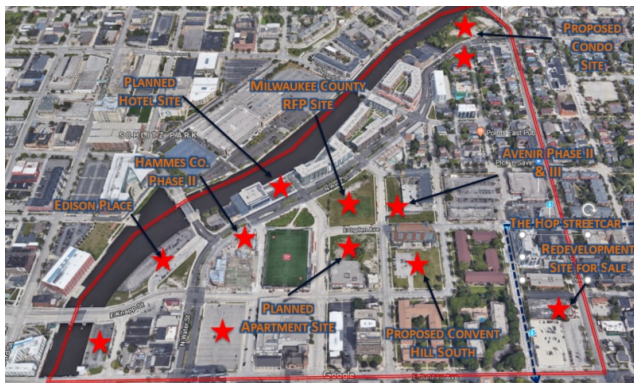
another improvement that will continue to blur the lines between the Third Ward and Downtown.

On the financing front, The Huron Building is proving to be innovative with its recent use of [CrowdStreet](#), a new crowdsourcing real estate investment platform. J. Jeffers & Co. attracted over \$14 million in crowdsource equity investment in just one day. As reported in the *Milwaukee Business Journal*, this set a new single-day investment record.

With site work actively underway, The Huron Building is expected to be complete in late 2020.

## DOWNTOWN TOOLBOX - Opportunity Zones in Downtown Milwaukee

The Opportunity Zone program, created as part of the 2017 Tax Cuts and Jobs Act, is a powerful development tool that is garnering attention across the country, including Milwaukee. The program provides several federal tax incentives to encourage investors to put their capital to work in Qualified Census Tracts that are designated as Opportunity Zones. In downtown Milwaukee, several Opportunity Zone sites are shovel-ready in the Park East Corridor.



Among these include sites near the East Pointe Commons and North End neighborhoods, as well as the vacant sites just north of the Fiserv Forum. [Smart Growth America](#) recognizes two of these Census Tracts as Top 50 Opportunity Zone development sites in the country because the sites have a triple-bottom-line that can deliver "positive economic, environmental, and social returns."

Opportunity Zone development in Milwaukee is heating up. [Click here](#) to see the newly created Downtown Milwaukee Opportunity Zone marketing kit, which includes shovel-ready sites such as, Milwaukee County's Request for Proposals for a 2.3-acre parcel, that is adjacent to the newly announced \$150 million mixed-income housing tower, led by the Housing Authority of the City of Milwaukee.

Fundamentally, Opportunity Zones are attractive to investors because they allow:

- Temporary tax deferral for capital gains reinvested in an Opportunity Fund.

on Milwaukee Downtown's new [website](#).

Source: *Milwaukee Downtown, BID #21 and industry professionals*

## MOVERS 'N SHAKERS - Darryll Simpson

General Manager of Transdev Services NA



**What attracted you to your work in transportation?**

Interestingly, I was heading to a job interview in New York and decided to take the commuter train. I began a conversation with the conductor. At the end of our conversation, I said to myself, "Wow, this would be a really cool job to have, meeting new people all day," and when he told me what they were paid, my interest peaked. As a young 22-year-old not realizing what I really wanted to do, my mother said, "You better go get a job!"

**With The Hop system now operational, what has been the most rewarding aspect for you?**

The best part of this whole project has been all the people I've had the opportunity to meet and share time with, and to understand more about Milwaukee and Wisconsin. The most rewarding aspect of my job is the effect you have on the daily lives of so many people, such as my employees, teammates and riders. It is great to hear employees say "I love my job, I love coming to work;" which to me, demonstrates we have been successful in creating an inclusive environment where everyone feels welcome and succeeds in their daily endeavors.

**What have you found to be the most challenging part of The Hop operations since opening a few months ago?**

- Step-up in basis for capital gains (10% if held for 5 years, 15% if held for 7 years).
- Permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in a qualified Opportunity Zone fund, if the investment is held for at least 10 years.

Learn more on Opportunity Zone fundamentals at the City of Milwaukee webpage by [clicking here](#).

## EVENT SPOTLIGHT - WORK + LIFE: the next chapter of living and working in Milwaukee

Wednesday, May 15

4:30 PM - 7:30 PM

HUB640 at 640 N. Vel R. Phillips Avenue



HUB640, Forrer Business Interiors, Steelcase and JLL are pleased to host an exclusive look inside HUB640. HUB640 is a mixed-use building bringing ground-level retail, office space, and loft apartments to the heart of Milwaukee's rapidly-evolving downtown and Westtown district. Join us and experience HUB640's most recent renovations and explore the latest in furniture design for work and social environments.

Don't miss this opportunity to see how the intersection of work, life, and community will shape the next chapter of living and working in Milwaukee.

- 4:30-5:30 pm - Happy Hour / Reception
- 5:30-6:00 pm - Milwaukee's Next Chapter
- 6:00-7:30 pm - Explore HUB640 and Inspirational Workplace Design and Reception

Hear from Milwaukee City officials on upcoming Westtown developments, including The Hop extensions, as well as leadership from Steelcase, HUB640, Fiserv Forum and the Milwaukee Symphony

Our biggest challenge to date has been, although not unforeseen, parking. We have a learning curve with the public to get around, like understanding it's crucial not to park over the white line, and to always maintain consciousness of a shared roadway with other pedestrians, cyclists, motorists and streetcars. All too often, we are continually hindered by motorists blocking the alignment by double parking, illegally parking or simply not parking within the established white delineation marker, which results in unnecessary delays to our passengers. It's something that will take time for motorists to understand and become more comfortable with when driving in the downtown area.

With your work on multiple streetcar systems, what stands out to you as being unique about Milwaukee's streetcar system? Communication! I have always remarked to others how well all project members have maintained an open channel of communication in order to keep the project moving forward. It's not that we were always in agreement with one another, but we all understand to table disagreements and continue to forge ahead on other project issues in order to stay on track. We then circle back to those obstacles, and more likely than not, we have found some common ground or made concessions to continue to move forward.

After learning more about Milwaukee, what do you believe is its next big opportunity to keep the positive momentum downtown and citywide moving forward?

Milwaukee is a great city! I love all of the fun summer brings with so many festivals and outdoor activities. If I could offer 2-cents worth of advice, continue to expand on the excitement of your city by offering new entertainment centers, restaurants and places to socialize. Support expansion of our streetcar system in order to spur more development within and outside your downtown area. I've lived in Charlotte for over 15 years and when I first arrived, we did not have a light rail or streetcar system. Since the initial start of our light rail system, the city has grown exponentially along and around those areas serviced by the rail system. We have so many new places to visit when family and friends are in town. This is what I foresee for Milwaukee over the next decade if we can keep growing our transportation network to reach more communities and tie them together with future growth. That's when things become exciting for residents and visitors.

When you are not working, what are your favorite things to do?

I love spending time with my family and traveling abroad. I have previously visited Europe, Hong Kong, Philippines and Cuba, and hope very soon to travel to South Africa, Alaska and Palau. I think it's just amazing to visit other parts of the world and experience their

Orchestra.

Enjoy an assortment of local food samplings from The Avenue's new 3rd Street Market Hall, discounted parking (more details to follow), music by Milwaukee Airwaves, and \$1,000+ in giveaways! Register for the event before it reaches capacity by [clicking here](#).

way of life, food and fun; you learn so much and appreciate what you have so much more.

*Milwaukee Downtown, BID #21 wishes Darryll the best of luck in his new role as the general manager of the New Orleans Regional Transit Authority. Thank you for your lasting contributions to the City of Milwaukee!*

**LEARN MORE ABOUT WHAT MILWAUKEE HAS IN STORE AT  
[WWW.MILWAUKEEDOWNTOWN.COM/DOING-BUSINESS](http://WWW.MILWAUKEEDOWNTOWN.COM/DOING-BUSINESS).**

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