

# REAL RESULTS

Building Investment, Jobs & Prosperity in Milwaukee's Downtown



BID #21

## Good Afternoon,

It is quickly becoming commonplace to hear announcements from businesses looking to locate in downtown Milwaukee, so in this edition of Real Results, we are shining light on companies that have recently joined this trend. In addition, we take a closer look at office vacancy rates in the Milwaukee area and compare them to one year ago to see how the markets are stacking up.

We also sit down with downtown booster, Eric Nordeen of Ascendant Holdings, LLC to hear his perspective on how Milwaukee is trending and what he has planned for the historic Wells Building.

Since the spring weather always sparks more commercial activity, we are sending out a reminder to keep the Business Development Loan Pool in mind, which Milwaukee Downtown created in partnership with First Bank Financial Centre, to assist with your projects.

Finally, Milwaukee Downtown, BID #21 is gearing up for its Annual Meeting, Thursday, May 19 in the Bradley Pavilion at the Marcus Center for the Performing Arts. We will be sharing the findings from our most recent extensive market research, BID #21 initiatives and global trends. We will also announce our Downtown Achievement Award winners. We hope to see you there!

As always, thanks for reading!

*Matt Dorner*

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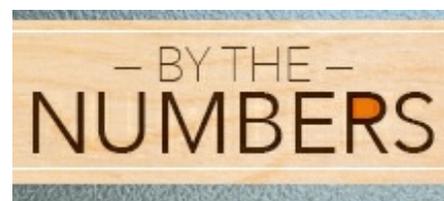
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The chart below compares select Milwaukee area submarket office vacancy rates between

## MARKET SPOTLIGHT - DOWNTOWN'S ATTRACTIVENESS FOR COMPANIES GROWS

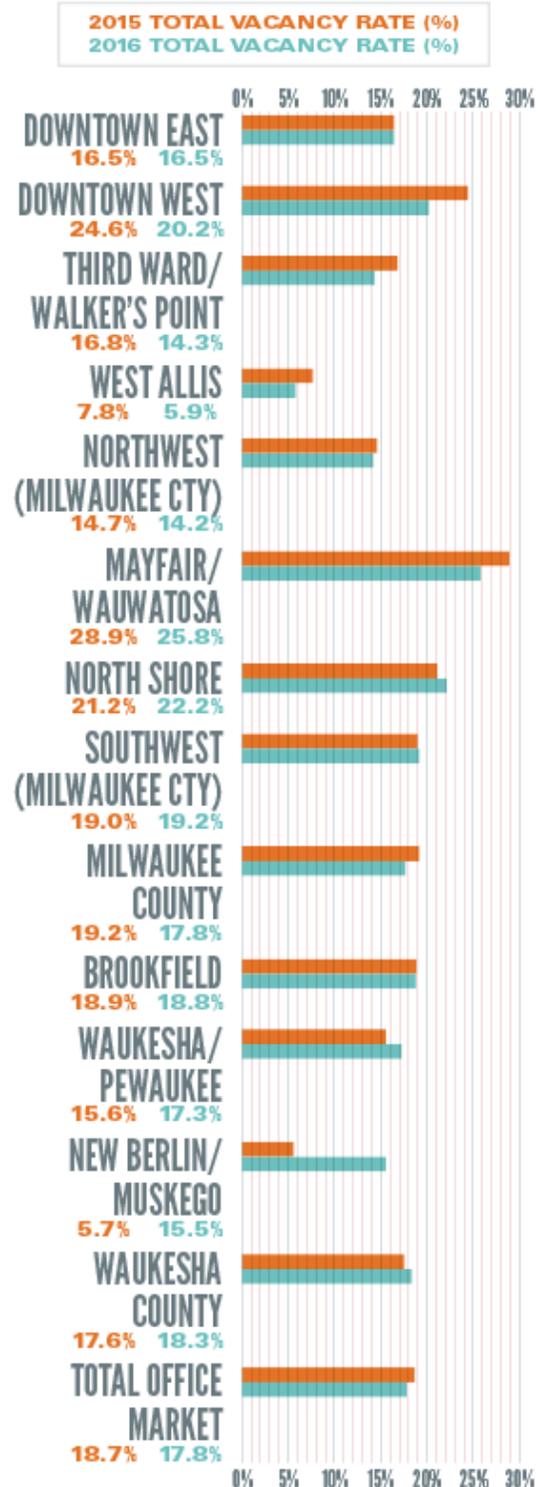
Like its peer cities, downtown Milwaukee is welcoming an influx of businesses that are investing in the heart of the city. In just the first quarter of 2016, there have been several new announcements including REV Group, a \$2 billion company that is relocating its headquarters from Orlando to the Milwaukee Center office tower. In addition, there are several regional relocations that have recently been completed or are planned, including SafeNet Consulting, Decision Resource Group, Celtic, Inc., Jones Lang LaSalle, and Jericho Resources--all of which are or have moved from suburban locations to the more walkable and amenity-filled downtown. Most recently, Bader Rutter & Associates announced that it will anchor the Wangard-led redevelopment of the former Laacke & Joy site and move its 220 workers downtown.



The 411 East Wisconsin Building is now 90% occupied after the Decisions Resource Group lease.

In February 2016, one of Wisconsin's best known companies, Kohler Co., opened an office in the historic Wells Office building in downtown Milwaukee "to help with recruiting and keeping talented workers," according to a Milwaukee Business Journal article. Eric Nordeen whose company owns the Wells

## Q1 2016 vs 2015 Select Milwaukee Area Office Vacancy Rates



Building says, "Kohler's move reinforces the idea that companies can reap big benefits from having a presence downtown, even if their headquarters are elsewhere. It helps the Wells Building's reputation, but the bigger story is the significance for downtown. A company like Kohler Co. sees value in having a downtown presence."

So, why are more companies located or relocating downtown? A [study](#) that Milwaukee Downtown conducted in the late 2000's (which is currently being updated) found that the top reasons why companies are choosing to relocate downtown are: proximity to employees and clients, downtown's central location, prestige/credibility, and downtown's vibrancy. These are all competitive advantages that downtown holds over any other location in the region, and through the billions of dollars of under construction and planned development, these advantages will continue to attract talented workers and the businesses that are following them.

## **DOWNTOWN TOOLS - LOW INTEREST LOANS FOR PROPERTY OWNERS AND SMALL BUSINESSES**

With the uptick in retail and revitalization projects underway, Milwaukee Downtown and First Bank Financial Centre are reminding commercial property owners and small businesses about our low interest loan pool and the program's many advantages.

The great news is that the Downtown Office Market continues to strengthen when comparing 2016's first quarter data with last year's.

The vacancy rate in Downtown East stayed constant at 16.5% despite adding 833 East Michigan to the inventory (which was approx. 65% leased at opening).

The vacancy rate in Downtown West dropped nearly 4.5% in one year, marked by the repurposing of some Class B and C office space to multi-family uses, which has added much-needed residential density to the area.

Overall, the Milwaukee Office Market is witnessing a vacancy rate improvement of nearly one percent, while the Waukesha County Office Market saw a 0.7% increase in their vacancy rate.

## **MOVERS 'N SHAKERS - ERIC NORDEEN**

Principal, Ascendant Holdings, LLC

Hear from Eric Noreen as he shares his real estate expertise and how he and his team at Ascendant Holdings, LLC plan to continue reinventing the Wells Building.



**What drew you to the real estate investment and development related profession?**

*As a kid, I liked to make and fix things, and it grew into a fascination with construction and learning how things are built. I graduated from the real estate program at the University of Wisconsin, which led me to commercial real estate. At the time, I was focused on the financial side of the industry,*

**Milwaukee Downtown Business Development Loan Pool Program**

Milwaukee Downtown Business Development Loan Pool Program Provided By:

**FIRST BANK**  
FINANCIAL CENTRE

First Bank Financial Centre

In Partnership With:

**MILWAUKEE DOWNTOWN**

Milwaukee Downtown Business Improvement District #21

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**FIRST BANK** FINANCIAL CENTRE

**MILWAUKEE DOWNTOWN**

LENDER



The Milwaukee Downtown Business Development Loan Pool (BDLP) program is designed to encourage business development and investment within Business Improvement District #21 boundaries. The program can be used as a primary loan or in conjunction with other sources of funding. Loans are generally between \$10,000 and \$25,000 with an attractive interest rate that can be fixed as low as 1.0%.

The BDLP program may be used to finance business and commercial revitalization expenses such as acquisition of land or a building, building improvements, equipment purchases, environmental or safety compliance, demolition, and more.

[Click here](#) for more information and to download a BDLP brochure and application.

**EVENT SPOTLIGHT -  
MILWAUKEE DOWNTOWN  
ANNUAL MEETING**  
Thur, May 19 | 7:30 am to 9:30 am



**fitBID**  
milwaukee downtown annual meeting

but eventually I gravitated back to development work. Creating and adapting spaces and buildings to make them better aligns with my personality.

**What Ascendant Holdings property are you most excited about and why?**

*I'm most excited about our redevelopment of the Wells Building. We are four years into the project and this timing aligns roughly with the great momentum occurring downtown. As someone who grew up in Milwaukee, it's very gratifying to see our downtown evolving. The enthusiasm for downtown that each new tenant shares when they move into the building is very cool to see. Also, since the Wells Building serves as the main internet exchange point for the region, I have spent countless hours learning about telecommunications, fiber optic infrastructure and data centers. It is challenging yet fun to learn how and where the internet's physical infrastructure intersects with the real estate world.*

**What downtown Milwaukee project or trend is key to capitalize on in order to keep the positive momentum going?**

*The most important trend is embracing density, and I do not mean just in terms of how much square footage there is downtown. It's important to cluster diverse uses to create lots of street-level activity like offices, retail shops, apartments, restaurants, hotels and entertainment areas complemented by a pedestrian-friendly street scape, public art, etc. I believe signs of a healthy downtown include less vehicle-friendly design and more walkability and people on the streets. Congestion is good.*

**What do you believe the recent addition of the Kohler Co. office to the Wells Building means for downtown Milwaukee?**

*Kohler's move reinforces the idea that companies can reap big benefits from having a presence downtown, even if their headquarters are elsewhere. It helps the Wells Building's reputation, but the bigger story is the significance for downtown. A company like Kohler Co. sees value in having a downtown presence for a whole host of reasons that are well-documented in this trend of people and companies moving back to the urban environment.*

**What do you see as Milwaukee's biggest challenge?**

*I think the biggest challenge in downtown Milwaukee is that it's still too spread out. We need to figure out how to connect active nodes to one another in a way that's fluid and easy for a pedestrian to navigate. Some of this already exists. For example, the Riverwalk is a well-executed north/south connector that ties the Third Ward to the CBD.*

Milwaukee Downtown, BID #21 is gearing up for its 2016 Annual Meeting, Thursday, May 19 in the Bradley Pavilion at the Marcus Center for the Performing Arts.

Join Milwaukee Downtown and other community leaders as we hear from keynote speaker, Brad Segal from Progressive Urban Management Associates who will share global trends affecting downtowns and how we stack up in Milwaukee. With all the positive momentum throughout BID #21 and beyond, Milwaukee Downtown CEO Beth Weirick will share BID #21 initiatives and announce the Downtown Achievement Award winners who have made an impact downtown in 2015.

Doors open at 7:30 a.m. A plated breakfast will be served at 7:45 a.m., compliments of Madison Medical Affiliates.

The event is free, but reservations are required. RSVP by clicking [here](#) or calling Lesia Ryerson at 414.220.4700 x 2 by May 13.

*Milwaukee's biggest city-wide challenge is poverty. We have deep poverty in concentrated areas with vast disparities between neighborhoods. Milwaukee simply cannot become a vibrant city if we let another generation pass without reversing the trend. There are many people hard at work on this issue, but we are all stakeholders in the outcome, so we should all put energy into it.*

**When you are not working, what is one of your favorite hobbies or pastimes?**

*I like to hang out with my wife and kids in our neighborhood, hang with friends and their families, or explore the city and surrounding areas together. Also, I've really engaged with audiobooks as a format. I also like to listen to podcasts because there is so much great content.*

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

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