

MKE BLUEPRINT



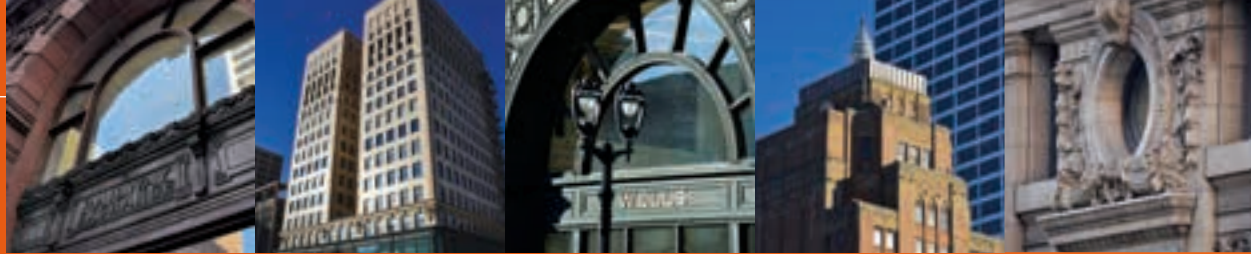
Downtown Milwaukee's Changing Landscape

Spring 2016

Milwaukee Downtown, BID #21 | 600 East Wells Street | 414.220.4700 | MilwaukeeDowntown.com

RAILWAY
EXCHANGE

Milwaukee is reinvesting and bringing new life to its historic downtown office buildings.



New Life for Old Buildings

While an unprecedented wave of new construction is underway, the reinvestment occurring in downtown's historic buildings is less in the spotlight. Deserving just as much acclaim, projects to revitalize existing spaces total hundreds of millions of dollars in reinvestment.

Adaptive Reuse

Like many downtowns nationwide, Milwaukee is finding better uses for underutilized Class B and C office space. In Westtown alone since 2015, more than 500,000 sq. ft. of obsolete office space has been adapted, creating new apartment homes at the **MKE Lofts, 700 Lofts, Plankinton Lofts, and The Buckler** – not to mention the significant mixed-use neighborhood transformation that continues at **The Brewery**. This trend continues on the east side of the Milwaukee River with the 30-unit luxury apartment project at the historic **Mackie Building**. All told, the investment to transform these spaces tallies more than \$100 million!

Add to that the recent surge in hotel rooms. **The Milwaukee Marriott Downtown, Hilton Garden Inn and SpringHill Suites**, as well as the recently started **Homewood Suites** at the **Button Block Building**, are all former office building conversions to new vibrant uses.

Reinvestment

These adaptive reuses have helped purge the market of longtime vacant office space, allowing well-positioned Class B and C buildings to reinvest to remain competitive. **CityCenter @ 735, the Wells Building, Wisconsin Gas Building, Railway Exchange and Two-Fifty East** have all recently completed or are scheduled to undergo millions of dollars in improvements to lure and retain tenants.

According to the CARW/NAIOP 2016 Market Update, downtown Milwaukee's steady lease activity driven by the growing desire to be part of downtown's vibrant environment should continue to result in positive absorption, lease rate increases and concession reductions, while maintaining the lowest vacancy rate in southeastern Wisconsin, which downtown holds at 15.6 percent.



MKE Streetcar Development and Investment Guide

Milwaukee Downtown, BID #21 has produced a streetcar investment guide to highlight the development potential of nearly 50 acres of underutilized land near the streetcar route. The guide also directs users to an online database, which lists nearly 600,000 sq. ft. of available retail and office space near the service. Visit www.milwaueedowntown.com/doing-business to download the guide and begin your site or building search!

Milwaukee Streetcar Builds Momentum

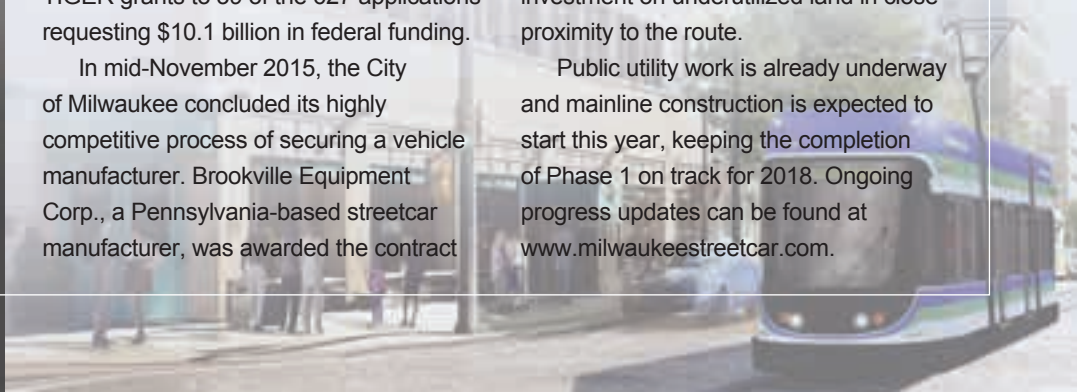
The Milwaukee Streetcar remains on track following the crossing of several milestones in recent months. In October 2015, the U.S. Department of Transportation (USDOT) announced the City of Milwaukee was awarded a \$14.2 million TIGER grant to cover half of the \$28.4 million construction costs of the 0.77-mile Lakefront extension line. This grant reinforces the economic development and transportation merits of the project as the USDOT awarded only \$500 million in TIGER grants to 39 of the 627 applications requesting \$10.1 billion in federal funding.

In mid-November 2015, the City of Milwaukee concluded its highly competitive process of securing a vehicle manufacturer. Brookville Equipment Corp., a Pennsylvania-based streetcar manufacturer, was awarded the contract

to build the service's first four vehicles.

With these advancements, Milwaukee Downtown, BID #21 is turning its focus toward highlighting the streetcar's ability to unlock new investment potential. As proven in other cities with fixed rail, The Milwaukee Streetcar will provide the confidence and predictability that developers need to attract a new wave of development. The Phase 1 route and Lakefront extension lines were strategically selected to connect important activity hubs while promoting investment on underutilized land in close proximity to the route.

Public utility work is already underway and mainline construction is expected to start this year, keeping the completion of Phase 1 on track for 2018. Ongoing progress updates can be found at www.milwaueestreetcar.com.





Northwestern Mutual Headquarters



833 East Michigan



Northwestern Mutual Apartment Tower



The Couture

Milwaukee's Lakefront – A Neighborhood on the Rise

In the midst of nearly \$1 billion in recently completed, underway and soon-to-start construction, the convergence of the lakefront and central business district is one of the most talked about neighborhoods undergoing rapid change. With residential, commercial, cultural and infrastructure investments, the area is experiencing transformational growth.

Well underway is **Northwestern Mutual's new world headquarters**. When occupied in 2017, the new tower and commons will be Wisconsin's largest office building at over 1.1 million sq. ft. The development will also preserve 1,100 downtown jobs while adding 1,900 new positions to the downtown workforce.

Completion of **833 East Michigan**, Milwaukee's first new Class A office building in more than a decade, was marked by the March 2016 occupancy of Grace Matthews, Catalyst Construction, Colliers International, and Godfrey & Kahn on the building's top three floors. Already over 65 percent leased, the tower will soon welcome additional tenants including Rare Steakhouse this May.

Connecting to 833 East Michigan and the U.S. Bank Center by the skywalk system will be a new 220-room **Westin hotel** that is scheduled to open in the summer of 2017. The 10-story hotel will boast 9,000 sq. ft. of meeting space and supporting amenities.

Adding residential density to the neighborhood will be the **Northwestern Mutual apartment tower** and **The Couture**. To serve its growing workforce, **Northwestern Mutual** has begun construction of a **34-story apartment building**, which will feature 308 apartments, ground-floor retail space, and a 1,400-stall parking structure adjacent to its world headquarters.

After gaining federal approval for the sale of county-owned land, **The Couture** is moving forward. The 44-story development will include another 302 apartments, public space, 50,000 sq. ft. of retail opportunities, and a transit hub with a streetcar stop. Demolition of the Downtown Transit Center, the site where the tower will be erected, is slated to begin in August.

Infrastructure improvements such as **The Milwaukee Streetcar** and **Lakefront Gateway Project** should also pave the way for future development. The new

corporate office site created by the Lincoln Memorial Drive on/off ramp relocation presents a 2.6-acre parcel, which is currently being investigated for feasibility by the City of Milwaukee and Johnson Controls, Inc. for a potential office location. Additionally, GRAEF's winning **Lakefront Gateway Plaza** design will further promote connectivity between the lakefront and the central business district.

These projects, along with the newly opened \$30 million Milwaukee Art Museum expansion, are truly transforming the way Milwaukee's lakefront interacts with the rest of the city.



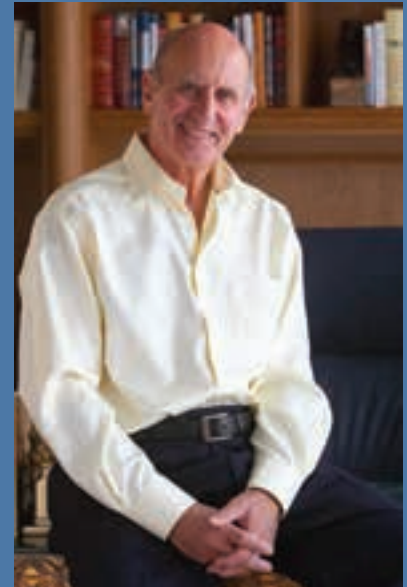
Former Quill Owner Puts His Stamp on Two-Fifty East Wisconsin

Jack Miller, retired founder and President/CEO of Quill Corporation, one of the nation's largest office products companies, is focusing his attention on downtown Milwaukee.

After selling Quill to Staples in 1998, Miller, along with his brother Harvey L. Miller, started Millbrook Real Estate Company. Millbrook and Fulcrum Asset Advisors purchased 250 E. Wisconsin Avenue in July of 2015.

The Millbrook and Fulcrum team are now working to reposition the 20-story office building to attract new tenants. Within the first several months, the new owners demolished three floors to easily accommodate new tenant build-out in an expedited timeframe, cleaned and repaired the façade, and completed structural repairs on the parking structure.

Renovation plans in 2016 include a new state-of-the-art tenant fitness center, Wi-Fi lounge and conference center, completely remodeled common spaces including the main lobby and entrance, and all new elevators. Along with rebranding the building, the \$8.5 million investment is expected to bring the property back to first-class condition and build awareness of its existing competitive amenities, including the attached 445 parking spaces and skywalk connectivity.



An Entrepreneur & Philanthropist

Beginning at age 13, Jack Miller worked at a series of odd jobs ranging from a soda jerk in a drugstore to a pin-setter at a bowling alley. He paid his way through college by modeling for art classes, washing dishes, digging ditches and loading freight cars.

Miller has a long history of entrepreneurship. In 1956, Miller started the Quill Corporation with a \$2,000 loan from his father-in-law. Through tenacity and leadership, he and his brother, Harvey, grew the company into a \$630 million empire before they sold to Staples.

Miller continues to build on his success by furthering causes near and dear to his heart, including starting the Jack Miller Center for Teaching America's Founding Principles and History, and the Foundation of Peripheral Neuropathy – a condition from which Miller himself suffers. Amid it all, Miller also published his own book – *Simply Success: How to Start, Build and Grow a Multimillion-Dollar Business the Old-Fashioned Way*, – and, of course, started Millbrook which is becoming another empire with over 2.5 million sq. ft. of commercial space.

Milwaukee Downtown, BID #21 is thrilled to welcome this entrepreneurial visionary to the community. Expect exciting announcements from Two-Fifty East Wisconsin in the near future.

