

REAL RESULTS

Building Investment, Jobs & Prosperity in Milwaukee's Downtown



BID #21

Good Afternoon,

In this edition of Real Results, we highlight the start of construction on Hammes Company's new headquarters located in the bustling North Water Street area.

We also sit down with Jim Villa, CEO of NAIOP-Wisconsin, to talk about the exciting initiatives that his commercial real estate association is currently working on.

In addition, we take a look at the positive impacts the Historic Tax Credits have had on bringing new life to historic buildings.

In March, the ManpowerGroup released its net employment outlook figures for the second quarter of 2017. Check out the latest figures compared to previous quarters and how they exemplify the renewed confidence in the Milwaukee metro area.

Mark your calendars for YPWeek presented by Northwestern Mutual returning April 22-29. The event has expanded to 25 communities and includes hundreds of events and sessions for young people to further engage with their communities and employers.

As always, thanks for reading!

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PROJECT SPOTLIGHT - HAMMES COMPANY STARTS



In This Issue

[Project Spotlight: Hammes Company Starts Construction on New Downtown HQ](#)

[Downtown Tools: Historic Preservation Tax Credits](#)

[Event Spotlight: YPWeek Milwaukee](#)

[By The Numbers: Milwaukee Metro Area Net Employment Outlook Trend](#)

[Stakeholders Spotlight: Jim Villa from NAIOP Wisconsin](#)



Net Employee Outlook measures the difference between companies that plan to increase and those

CONSTRUCTION ON NEW DOWNTOWN HQ

Another project broke ground in March, continuing the wave of new development on the former Park East freeway lands. Construction began for a five-story, 94,000-sq.-ft. office building that will be anchored by the Hammes Company on a 1.5 acre site bound by North Water, North Market and East Knapp streets.



Hammes Company is relocating nearly 80 employees from its current Brookfield location to the new office building. The remaining office and street-level space is available for lease and could be occupied in 2018 when building construction is complete.

The first phase of the \$30 million office building will include a 360-stall parking garage. There are plans for a second phase that could be as big or larger than the initial phase, depending on demand. The building design takes on a classic architectural form, featuring large columns and a corner dome. While the design drew some debate, it ultimately won approval.

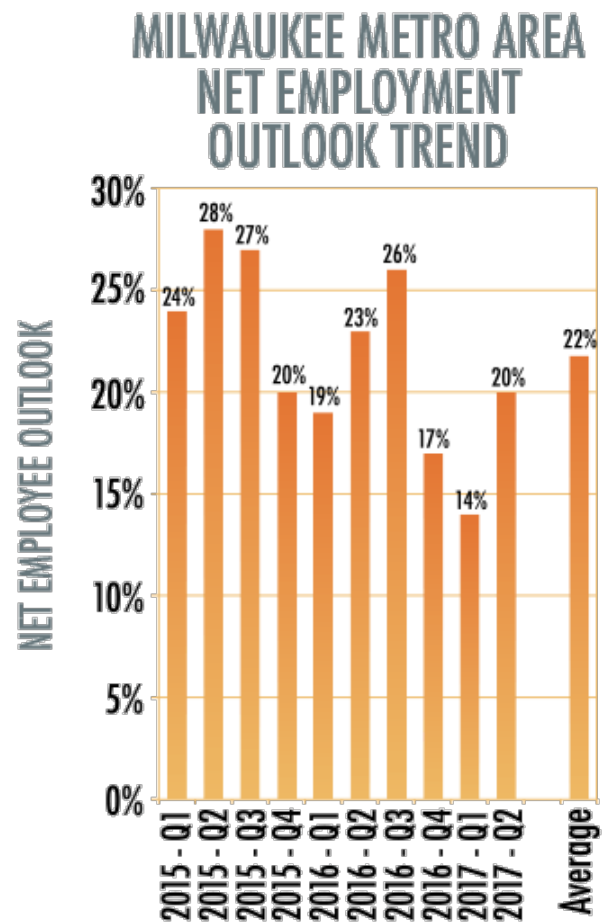
The Hammes Company headquarters is one of several projects under construction in this area of downtown. Across Water Street, Wangard is finishing an office building that will be anchored by Bader Rutter, a marketing firm that is also moving to downtown. In addition, The Mandel Group is nearing completion of The North End Phase IV and recently broke ground on the fifth and final phase of the project. New Land Enterprises is also completing Rhythm, a market rate apartment development featuring Milwaukee's first micro units.

These developments, along with many others, are featured on the Milwaukee Downtown, BID #21 [Investment Map](#) to tell the story of the incredible momentum reshaping downtown and the region.

DOWNTOWN TOOLS -

that plan to decrease their employee count in an upcoming quarter for the 100 largest metropolitan areas in the United States.

Milwaukee area employers have a positive net employee outlook of 20%, an increase of 6% when compared to the first quarter of 2017. More Milwaukee businesses expect to hire employees during the second quarter of 2017 than other Midwestern cities like Minneapolis, Indianapolis, St. Louis and Cleveland.



Since 2015, the Milwaukee area has had a net positive employment outlook, ranging from a high of 27% to a low of 14%. After two quarters of lower employment outlook, the second quarter of 2017 reverses this trend.

Source: *ManpowerGroup Employment Outlook Survey*

STAKEHOLDERS SPOTLIGHT - JIM VILLA

CEO of the Commercial Real Estate

Development Association (NAIOP) Wisconsin

Jim Villa leads NAIOP in their efforts to enhance the economic growth of Wisconsin through responsible real estate development. Read below to learn more about the latest initiatives

POSITIVE IMPACTS OF HISTORIC TAX CREDITS

Historic Preservation Tax Credits (HTC) have been a tool used since 1989 to assist in offsetting the high costs of revitalizing historic buildings across Wisconsin. In 2014, the cap was raised to allow up to 20% of the qualified project costs to be covered by the program. This change matched the amount of the federal HTC and helped Wisconsin become more closely competitive with the 34 states that offer HTC. Since 2014, dozens of revitalization projects have moved forward using HTC that otherwise would not have been feasible.



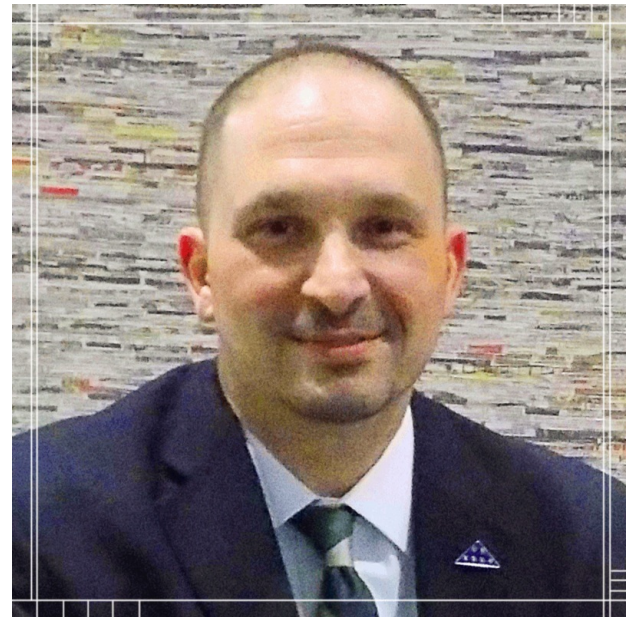
The Mackie Building is one example of a historic building that was rehabbed using historic tax credits.

HTC projects are proven to boost job creation, tax bases, historic preservation and revitalization in small and large communities. The preliminary results of an updated report reveal that the 38 approved HTC projects in 2016 could create 4,912 full-time construction jobs and result in over \$405 million in construction spending.

HTC are also one of the lowest risk programs for Wisconsin because the credits are not claimed until after a qualified project has been completed. Often times in HTC projects, significant portions of the credit is actually paid back to the state in other taxes before the HTC are actually paid out.

HTC are one of the most important economic development tools for revitalizing historic building stock. In most instances, the revitalization of a historic building instills a new sense of community pride and spurs more investment. The relative low risk of the program is also attractive when comparing HTC with other tax credit programs. For these reasons, we look forward to working with our

that he is spearheading.



What are the main objectives of the NAIOP-Wisconsin organization?

NAIOP, the Commercial Real Estate Development Association, is the largest organization for developers, owners, investors and related industry professionals. The organization is committed to enhancing the economic growth of Wisconsin and the business opportunities of its members through responsible real estate development. We work to enhance the quality of life in our communities, as well as the professionalism and image of the industry.

What NAIOP initiative are you most excited about?

Our "Development Showcase Series" has been enhanced this year with a focus on top projects and/or development clusters. This gives us an opportunity to highlight the amazing work of some of the top developers and their partners. Everyone can see the final product, but we want to share the story of what it took to put the shovel in the ground and the risks these entrepreneurs took to make it happen.

What do you believe is key to keeping the positive growth going in Milwaukee and Wisconsin as a whole?

The key to maintaining the current momentum is to continue offering a platform that is inviting and fosters strong returns for investor risk. Maintaining flexibility while remaining open minded, inviting and innovative are critical to attracting additional interest and capital.

What development projects or programs do you see as key to keep momentum going in downtown and throughout the City of Milwaukee?

All of them! For me, this is an "and" and not an "or" proposition. We must continue to build a strong downtown that attracts businesses, workers, residents and visitors while leveraging these investments to build the larger community

elected officials and sharing the positive benefits that communities across Wisconsin receive from the current HTC program.

EVENT SPOTLIGHT - YPWEEK

April 22 - 29
Milwaukee and 24 other Wisconsin communities

NEWaukee's YPWeek is a week-long platform for discovery, adventure and meaningful conversations about the issues that matter among young professionals in Wisconsin. The planned events and activities engage the millennial workforce in experiences that are important to them while educating employers on ways to retain their workforce.



With help from its partner, the Wisconsin Economic Development Corporation, YPWeek has expanded from solely a Milwaukee endeavor in 2012 to including 25 communities from across the state. In Milwaukee alone, there are 25+ planned events that we hope to see you at!

For the entire YPWeek schedule, [click here](#).

and neighborhoods throughout the region. I am particularly excited that this has meant a real diversity of projects, both in type and geographically, and I hope we can continue this trend.

What are some of the factors that attracted NAIOP to its new offices at Two-Fifty?

Two-fifty provides us with a great vantage point on Milwaukee's famed Wisconsin Avenue in the heart of the CBD. The building's relatively new owners are investing millions into the main lobby and exterior aesthetics, as well as infrastructure and amenities such as the elevators, conference space and tenant lounge area.

When you are not working, what are your favorite hobbies?

When I'm not working or traveling, I love craft beer and biking (usually not at the same time!).

**LEARN MORE ABOUT WHAT MILWAUKEE HAS IN STORE AT
WWW.MILWAUKEEDOWNTOWN.COM/DOING-BUSINESS.**

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