

MILWAUKEE REAL ESTATE NEWS

CBRE // OCTOBER 2016

Big Win: Matt Hunter is the New Leasing Agent for CityCenter at 735



Address:

731 - 735 N. Water Street, Milwaukee, WI

Square Footage:

353,100 square feet combined

Rental Rate:

\$16.00 - \$20.00 Modified Gross

Parking:

1 per 1,000 SF dedicated to the building

Accolades:

- Wisconsin's First Outstanding Building of the Year Award Winner from BOMA International
- LEED Silver
- Energy Star Award for Energy Performance & Efficiency

Amenities

- Good Life Restaurant
- Discount membership to Gold's Gym
- On-site concierge
- Two high-end common area conference rooms
- Boat slips available
- Riverwalk Starbucks Espresso Bar & Cafe on site

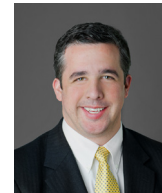


TESTIMONIAL

"Congratulations to Matt Hunter on his new role as the exclusive leasing agent for CityCenter at 735. This is a huge win for CBRE."

– KEVIN ARMSTRONG
Managing Director,
CBRE Wisconsin

FOR MORE INFORMATION,
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Three West Allis Office Buildings Sold

LSOP WI LLC, a joint venture between Somerset Properties and Greenfield Partners, has sold three buildings to an affiliate of Bear Real Estate Group, a Kenosha-based company for \$9.1 million. The buildings, located at 11300, 11420 and 11548 West Theodore Trecker Way in West Allis have a total of 116,219 SF and are 98 percent occupied. Tenants include BMO Harris Bank, Konecranes as well as Fresenius Medical Care. The properties are located near the Zoo Interchange, which



is undergoing a \$1.7 million reconstruction project.

(Information adapted from BizTimes, "Bear buys three West Allis office buildings," on October 20, 2016)

Froedtert & Medical College of Wisconsin Clinic Receives Zoning Approval

Froedtert & the Medical College of Wisconsin is planning a new clinic located next to the future Milwaukee Bucks training facility. The three-story, 37,000 SF medical office building has received unanimous preliminary city zoning approval from the Common Council's Zoning, Neighborhoods and Development Committee. Located west of North 6th Street and south of West McKinley Avenue, the center is slated to open in Fall 2017. The clinic will also have approximately 75 employees while focusing on primary care, orthopedic, sports med-

icine and other specialties.

(Information adapted from Milwaukee Journal Sentinel, "Zoning panel approves downtown Park East clinic," on October 4, 2016)

American Transmission Company Headquarters Building Sold

American Transmission Company headquarters, located at RidgeView Office Center III, W234 N2000 RidgeView Parkway Court in Pewaukee was sold to an affiliate of MAI Capital Management, a Cleveland-based firm. The 13.9-acre campus includes a three-story, 123,833 SF office building, a 33,600 SF industrial building and 357 parking spaces. The \$81.2 million sale is the largest transaction in southeastern Wisconsin this year.



(Information adapted from BizTimes, "ATC headquarters sold for \$81 million," on October 4, 2016)

Siebert Lutheran Foundation Considers Relocation

The Siebert Lutheran Foundation Inc., a private foundation founded by Albert Siebert, is considering relocating to Milwaukee from Brookfield. The foundation, who supports faith-based education and social service initiatives is currently located in Brookfield, but is in discussions to move into the SoHi building, located at North 27th and West Wells streets in Milwaukee. The building's owner, Hennessy Group Inc. is in discussions with the

city to purchase a parking lot located south of the property to provide spaces for the foundation. The foundation is still searching, but hasn't solidified a move yet. The board of directors plans to make a final decision on a potential move next month.

(Information adapted from Milwaukee Business Journal, "Lutheran foundation may move HQ offices to Milwaukee's near west side," on October 20, 2016)

Wisconsin Housing and Economic Development Authority Relocating Offices

The Wisconsin Housing and Economic Development Authority (WHEDA) is relocating from its offices at 140 South 1st Street to the Mercantile Lofts building, located at 611 West National Avenue in Milwaukee. The redevelopment of the Mercantile building was completed back in July, where the project created 36 apartments, including 28 market-rate apartments and 8 affordable housing units. The 76,350 SF building was known as the International Building and better known locally for the mural on the building that

can be seen on I-43. WHEDA plans to lease 3,479 SF in the building starting in January.

(Information adapted from BizTimes, "WHEDA moving Milwaukee office to Mercantile Lofts building," on October 19, 2016)



Ipic Entertainment Center May Convert Bowling Center into Theaters

Ipic Entertainment Center in Glendale, may convert the 11-lane bowling alley into additional movie theaters. Currently, Ipic can have up to six different auditoriums within the cinema, but the proposal would allow for two additional theaters. The city of Glendale has received Common Council approval, and allows operator Ipic Entertainment, based in Boca Raton, Florida, to further evaluate converting the space. Most Ipic cinemas have eight screens,



and the current Pinstrikes bowling alley isn't a large revenue generator. The site also includes a restaurant and bar.

(Information adapted from Milwaukee Journal Sentinel, "Bayshore's Ipic may convert bowling center to movie screens," on October 11, 2016)

Hyatt Place Hotel Proposed by Arena District

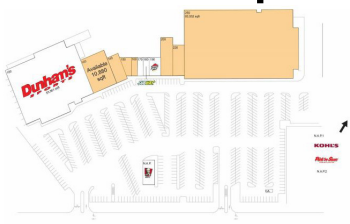
Illinois developer, Janko Group LLC, has proposed a hotel at The Brewery. A six-story, 150-room Hyatt Place hotel is proposed for the site at 821 West Winnebago Street. The proposal will be reviewed this month, and if approved, construction is expected to start in spring 2017, with completion in late spring of 2018. The hotel will include a hotel bar, dining areas and approximately 2,000 SF of meeting space. The site overlooks the construction of

the Milwaukee Bucks arena and practice facility.

(Information adapted from Milwaukee Business Journal, "150-room Hyatt Place hotel proposed near the downtown arena," on September 30, 2016)

Fox River Shopping Center Sold to Local Investment Group

Fox River Plaza LLC, led by local investor Joe Devorkin, purchased the Fox River Shopping Center, located at 1058 Milwaukee Avenue in Burlington for \$2 million. The 170,000 SF center, includes a vacant 85,000 SF Kmart store, which is now being marketed along with an outlot, and other empty storefronts within the center. Other center retailers include Subway, Pizza Hut and Dunham's Sports. The center had been on the market for several years by New York City-based



Brixmore Property Group Inc.

(Information adapted from Milwaukee Business Journal, "Empty Burlington Kmart on the market after local group buys shopping center," on October 3, 2016)

Lily Pad Gallery West to Open in Third Ward

Lily Pad Gallery West, a Rhode Island art gallery, plans to open a location at 215 North Broadway in the Third Ward. The gallery plans to showcase Swedish, Dutch, French and Canadian painters with a mix of artistic styles. The 2,250 SF gallery is located across from the Kimpton Journeyman Hotel, and in between MOD GEN and Swig. The initial Lily Pad located in Watch Hill, Rhode Island, is owned by Wivi-Anne Weber. She was convinced to open another location by Alan Perstein and his wife



Terry Hamann, who plan to be Weber's business partners in the Milwaukee location.

(Information adapted from BizTimes, "Rhode Island art gallery to open second location, in Milwaukee," on October 13, 2016)

Wauwatosa Development to Begin Construction

Renovations for Wauwatosa's village area where a Stone Creek Coffee and other businesses has resumed. Construction had been put on hold for months. The 9,500 SF building will include Stone Creek's new café, located at 7954 West Harwood Avenue, as well as a veterinarian's office, Power Cycle Fitness and Nine Round Fitness. The building still has 2,200 SF of available space. An affiliate of developer, Luther Group, purchased the building for \$650,000 from

MBD Properties LLC, an Elm Grove-based firm. The construction was on hold due to a delay in the sale of the building. The Screaming Tuna was also slated to be a part of the project, but dropped out back in June.

(Information adapted from Milwaukee Journal Sentinel, "Work starts on Wauwatosa Stone Creek development," on October 11, 2016)



Founders Properties Purchases Industrial Building in Pleasant Prairie

Minnetonka, Minneapolis-based real estate investment firm, Founders Properties, L.L.C., purchased the industrial building located at 8901 102nd Street in the LakeView Corporate Park in Pleasant Prairie for \$5.28 million from MLRP 8901 10nd LLC. The 105,637 SF building is 100 percent leased to Hanna Cylinders and Reunion Industries Inc. Founders Properties also owns properties in Oak Creek, Glendale, Mequon and the recently

completed building by The Opus Group in the Mount Pleasant Business Park.

(Information adapted from BizTimes, "Minnesota firm buys Pleasant Prairie industrial building," on October 18, 2016)



Warehouse Building Converted into Storage Facility

The former Boston Store warehouse, located at 420 West St. Paul Avenue in Milwaukee, has been converted into a Life Storage self-storage facility. The storage facility now has more than 1,000 climate-controlled units. The 114,000 SF, 90-year-old building has also been home to a records storage warehouse in the '90s as well as

Iron Mountain's enterprise information management services. Anderson Ashton, a New Berlin-based architecture firm was leading the renovations that now include energy efficient systems, Wi-Fi access, 24-hour key pad access, two new elevators and electronic access security systems.

(Information adapted from Milwaukee Business Journal, "Former Boston Store warehouse near 3rd Ward converted into storage facility," on October 10, 2016)

Fromm Family Foods Proposes New Facility and Brewery

Fromm Family Foods LLC, a Mequon-based high-end pet food maker, is considering plans for a new office building along with a craft brewery. The proposal includes development of a 105,000 SF single-story building for the company's new headquarters, and for the new Fox Town Brewery on 18-acres of vacant land. Fromm would use approximately 44,000 SF, while the brewery would utilize about 50,000 SF. Both companies would share a 7,000 SF atrium. Future plans for the site, located on the southeast corner of Commerce and Executive drives in the Mequon Business Park, include a potential 62,000 SF expansion for Fromm, allowing them to



consolidate operations into one facility.

(Information adapted from Milwaukee Journal Sentinel, "Fromm Family Foods proposes brewery, new facility," on October 6, 2016)

Former Midwest Airlines Hangar Buildings Available for Sale



Milwaukee County has announced they plan on putting two buildings at Mitchell International Airport up for sale. The surplus buildings were previously used for hangars for Midwest Airlines. The main hangar, located at 555 West Air Cargo Way, is a 189,100 SF building that includes 118,000 SF of hangar space as well as 71,000 SF of office and maintenance shop space. The second building, located

at 401 East Layton Avenue, is the former Skyway Airlines hangar, which is a 72,000 SF building, including 48,000 SF of hangar space and 24,000 SF of office shop space. The buildings are being marketed for \$8.5 million and \$3.8 million respectively.

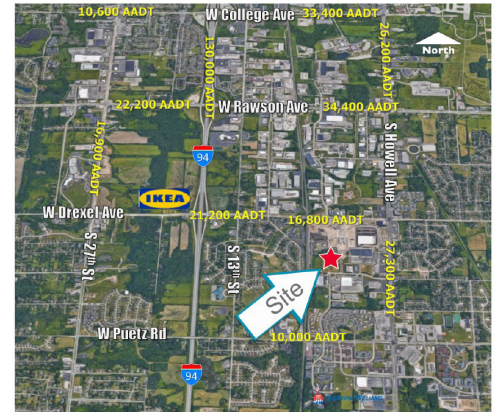
(Information adapted from BizTimes, "County put former Midwest Airlines hangar buildings up for sale," on October 13, 2016)

More Apartments Slated for Drexel Town Square Area

Barrett Lo Visionary Development, LLC, plans to add a third building to the Emerald Row Apartments located at 500 West Forest Hill Avenue in the Drexel Town Square in Oak Creek. The planned third building will have 250 units on the seven acres of land. The site was sold by Frank Giuffre for \$1.25 million and is located just south of the first phase of apartment developments. The first development, a four-story, 167-unit building was recently completed and has been leasing at double its expect pace. The second building is slated to begin construction on a four-sto-

ry, 242-unit property. The third building development would begin once there is enough demand for additional apartments.

(Information adapted from Milwaukee Journal Sentinel, "Oak Creek Drexel apartments adding 250 units," on October 12, 2016)



East Side Development Set to Begin for Mixed-Use Tower

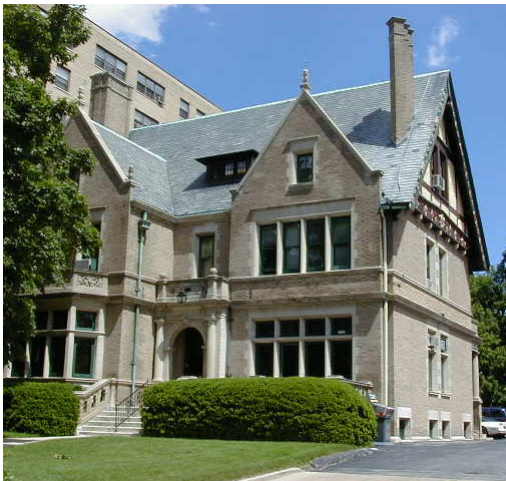
The Wiechmann Enterprises development at 1832 and 1840 North Farwell Avenue is underway. The demolition of the former office building on the sites has started in order to make way for the construction of a 13-story mixed-use tower. Construction on the 153-unit apartments and 10,000 SF of office and retail space at the tower is expected to begin in November. The project is expected to be completed in April 2018. The properties are currently owned

by New Land Enterprises, who is in the process of selling to Wiechmann for \$2.6 million.

(Information adapted from BizTimes, "Work begins for 13-story mixed-use tower on East Side," on October 3, 2016)



Goll House Sold to Developer



The Goll House former mansion located at 1550 North Prospect Avenue, has been sold for \$1.6 million to Goll Mansion LLC, led by Chris Houden, part of Palisade Property Management LLC, a Madison-based firm. The developer has proposed a high-rise building, a 27-story, 192-unit apartment building for the site, after moving the Goll House approximately 30 feet closer to the street. The Milwaukee Common Council voted back in July on a zoning change, but fell two votes shy of the supermajority needed due to a protest petition signed by adjacent property owners. Nearby residents believe the high-rise would be too large for the lot size and create traffic and parking issues in the neighborhood. Current zoning allows for a building to be up

to 110,000 SF, where Houden proposes 260,000 SF while the proposed parking structure would add an additional 100,000 SF and would exceed the parking minimums required by zoning regulations.

(Information adapted from Milwaukee Journal Sentinel, "East side Goll House sold to high-rise developer," on October 14, 2016)

CBRE Wisconsin Completes 37 Deals Totaling +428K SF

The following are some of the sales & leases completed by CBRE Wisconsin within the last month:

LEASES

- R.R. Donnelley & Sons Company leased 1,078 SF of space at 402 Gammon Place, Madison, from Gammon Place, LLC. Brian Wolff from CBRE handled this transaction.
- PH Hospitality Group, LLC leased 2,240 SF of space at N6663 Rolling Meadows Drive, Fond du Lac, from Westwind FDL OP, LLC. John Kardelis from CBRE handled this transaction.
- PH Hospitality Group, LLC leased 2,100 SF of space at 2705 Schofield Avenue, Weston, from Secure Fund and/or Assigns, LLC. John Kardelis from CBRE handled this transaction.
- Westbury Bancorp, Inc. leased 2,940 SF of space at 551 West Main Street, Madison, from Trainors Store, LLC. Chase Brieman from CBRE handled this transaction.
- Athletic & Therapeutic Institute of Naperville, LLC leased 2,452 SF of space at 3377 Milton Avenue, Janesville, from CFT NV Developments, LLC. John Kardelis from CBRE handled this transaction.

- Northern Star Industries, Inc. leased 1,990 SF of space at W229 N1433 Westwood Drive, Pewaukee, from Sunset Investment Co. John Mazza from CBRE handled this transaction.
- Perfecto Restaurant Group, Inc. d/b/a Margarita City leased 3,954 SF of space at 8201 South Howell Avenue, Oak Creek, from Demco Wisconsin 1, LLC. Peter Glaser and Eric Mouton from CBRE handled this transaction.
- Aspen Medical Aesthetics S.C. leased 1,705 SF of space at 11037 North Towne Square Road, Mequon, from East Towne Offices Joint Venture. Kyle Mack from CBRE handled this transaction.
- Shore Counseling and Consulting Clinic, S.C. leased 2,597 SF of space at 2600 North Mayfair Road, Wauwatosa, from Mayfair Mall, LLC. Kendall Phillips from CBRE handled this transaction.
- Ramotar Clips LLC d/b/a Great Clips leased 1,372 SF of space at 69 Commerce Street, Lake Delton, from Westernman Properties, LLC. Brian Wolff from CBRE handled this transaction.
- Ehlke, Bero-Lehmann and Lounsbury, SC leased 931 SF of space at 350 Junction Road, Madison, from WestWing LLC. Brian Wolff from CBRE handled this transaction.

SALES

- Patrick G. Fenton d/b/a Rainbow Childcare Centers purchased 1.08 acres at Northlawn Estates, Lot 90 – Highway N and School Road, Cottage Grove, from Homburg Equipment Inc. Mike Wenzel from CBRE handled this transaction.
- Oak Park Properties of Oak Creek, LLC purchased 6.30 acres at 1980 West Rawson Avenue, Oak Creek, from Legacy / Rawson, LLC. Andrew Stefanich from CBRE handled this transaction.
- Village of Shorewood purchased 28,609 SF of space at 4057 North Wilson Drive, Shorewood, from Wilcap Development Group, LLC. Andrew Stefanich from CBRE handled this transaction.
- Tytan Holdings LLC purchased 7,550 SF of space at 5350 Paulson Road, McFarland, from Protection Technologies Inc. Mike Wenzel from CBRE handled this transaction.
- Raintree Holdings LLC purchased 106,722 SF of space at 2860 Liberty Lane, Janesville, from RREF HB-WI LLC. Mike Wenzel from CBRE handled this transaction.
- Flint KFC, LLC purchased 1,704 SF of space at 3510 Clio Road, Flint, Michigan, from 3510 Clio Road, LLC. Eric Rapp from CBRE handled this transaction.

TOP 5 OFFICE LEASE TRANSACTIONS

TENANT NAME	LOCATION	SQUARE FOOTAGE	LEASE TYPE
Atos Medical, Inc.	2801 - 2827 S Moorland Road, New Berlin	32,000 SF	New Lease
Dermatopathology of Wisconsin, S.C.	12805 W Burleigh Road, Brookfield	11,970 SF	Renewal
Confidential Tenant	10100 W Innovation Drive, Wauwatosa	11,267 SF	New Lease
Microsoft	833 E Michigan Street, Milwaukee	7,968 SF	New Lease
Global Crossing Telecommunications, Inc.	411 E Wisconsin Avenue, Milwaukee	7,730 SF	Renewal

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