



CBRE | MILWAUKEE

# CBRE NEWS

OCTOBER 2015

## CASE STUDY: Northwestern Mutual - Lueder Financial Group



### Northwestern Mutual®

**C**BRE recently negotiated the lease for the Lueder Financial Group. The challenges, solutions and results are shared below detailing how CBRE's Matt Cariello, Matt Hunter and Bill Bonifas worked to service the client's needs.

#### Challenges

Matt Lueder, Managing Partner of Northwestern Mutual's Lueder Financial Group, inherited a 20,000+ SF lease in the middle of downtown Milwaukee. Being only two years into his new role, Northwestern Mutual protocol was to only allow Mr. Lueder to renew in place until he had five years of experience under his belt, unless CBRE could find a uniquely aggressive alternative. In addition, Mr. Lueder had multiple separate sub-groups of agency teams working within his leased office. This made the approval process for relocation even more challenging.

#### Solutions

CBRE developed a workplace survey that Mr. Lueder and his COO, Jennie Pucci, distributed to their workforce to determine the likes, dislikes and opportunities of their current space vs. relocation (new space). The results pointed to the employees and financial representatives generally liking the location of their current building, but, they didn't like the layout or the furniture/furnishings. CBRE ran a market survey to find multiple relocation options, worked with Northwestern Mutual to hire an architect, and got CBRE's Project Manager, Scott Weas, involved in the process as well – which Northwestern Mutual ultimately



hired for the job. CBRE was able to identify a unique opportunity to lease an entire floor that would be coming available at Plaza East (330 East Kilbourn Avenue).

#### Results

Timing played a key role at Plaza East, as the current tenant in place had to find alternative space within the building to downsize and lease new space. All of which was contingent upon the Lueder Financial Group lease being fully executed. At the end of the day, CBRE's strong relationship with the building's ownership group, Tishman Speyer and leasing agents (RFP Commercial), allowed for the necessary final negotiating points to be approved.

CBRE was successful in right-sizing Mr. Lueder's footprint to just under 17,500 SF – including the sub-agencies. By maximizing the overall efficiency of the new space, identifying a solution that offered furniture and by capitalizing on the vulnerability of the existing tenant, CBRE ultimately saved the Lueder Financial Group over \$500,000.

## CBRE Wins 3 Commercial Association of Realtors-Wisconsin Deal of the Year Awards

**M**ILWAUKEE – October 15, 2015 – CBRE was honored with three awards at the 2015 Commercial Association of Realtors Wisconsin (CARW) Deal of the Year event.

The CARW Deal of the Year awards highlight member transactions during the past year in the categories of Industrial, Retail, Office, Investment, Bank Loan and Development. Additionally, the organization honors the Realtor of the Year, Friend of CARW and Political Leader during the event.

CBRE won awards in the following categories:

- Development Deal – For the sale, ultimately the ground lease, of 401 West Michigan by Bill Bonifas
- Investment Deal – For Hudson America's sale of 250 East Wisconsin Avenue by Curt Smith, John Mazza and Bill Bonifas
- Retail Deal – For the land sale for Costco at Cobalt Partners' White Stone Station development in Menomonee Falls by Peter Glaser

In addition to the winners, CBRE was nominated in two categories:

- Office Deal – For Northwestern Mutual's lease of three full floors at 411 East Wisconsin Avenue by Matt Hunter and Jim Cavanaugh
- Development Deal – For the sale of Schwaab Stamp's facility at 11415 West Burleigh Street to Innovative Capital Advisors for redevelopment into the Stamp Factory at The District by Peter Glaser and Karl Wiedenman

"Congratulations to our CBRE team in winning these awards, which showcases our dedication and innovation to our clients on transactions within the industry," said Kevin Armstrong, Managing Director, CBRE Wisconsin. We congratulate all of the winners and nominees on their hard work on some impressive transactions completed over the past year."

The winners were revealed at the annual CARW Deal of the Year awards event on Wednesday, October 14th at the Pfister Hotel in downtown Milwaukee.

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## Phoenix Investors LLC to Relocate Headquarters to Downtown Milwaukee

An affiliate of Phoenix Investors, LLC, a real estate company, has purchased the building located at 401 East Kilbourn Avenue. The company purchased the building in order to meet their expansion needs, where they will relocate operations from 1818 North Farwell Avenue. They plan to occupy the second floor and most of the third floor, while Associated Bank occupies the first floor. The

property, purchased for \$2.35 million, will house Phoenix Investors' 30 employees, with potential to hire up to 10 more employees. Plans to renovate the space will add an exercise and yoga room, a locker room, a nap room as well as parking will be provided.

*(Information adapted from BizTimes, "Phoenix Investors moving HQ downtown," on September 30, 2015)*



## Carroll University Receives \$3 Million for Construction on New Science Laboratory Building

Carroll University has been awarded \$3 million from the state of Wisconsin to use in constructing its new science laboratory building. The university's Maxon Hall was demolished earlier this year in order for the new 44,500 square foot building to be constructed. The estimated \$24 million project will include interactive teaching and research laboratories for anatomy and physiology, chemistry, biochemistry and biology. The facility is expected to be finished in time for the fall 2016 semester. Upon completion of this project, the university plans to work



on phase two of its campus renovation project, which will include Lowry Hall being renovated. Additionally, the Bucyrus Center for Applied Physics and Engineering, a 12,000 square foot building will be constructed and will be attached to Lowry Hall.

*(Information adapted from BizTimes, "Carroll University receives \$3 million from state for construction project," on October 8, 2015)*

## Northwestern Mutual Proposes Mixed-Use Development Across from New Headquarters

Northwestern Mutual announced plans to construct a 33-story mixed-use development across from their new headquarters which is currently under construction. This 925,000 square foot project is estimated at approximately \$100 million and will include 25 stories of residential high rise on top of eight stories of parking. The project, to be built on the block Northwestern Mutual owns at North Van Buren, East Mason and Wells streets. The company had initiated a search to accommodate parking needs after the Milwaukee County board rejected their proposal to purchase the O'Donnell parking structure last year. Buildings

that are currently on the site are slated to be demolished in January 2016 and construction to begin in March. The project is expected to be completed by spring 2018. The site is expected to include one-, two- and three-bedroom apartments, as well as a rooftop swimming pool, outdoor fire pit, indoor golf simulator and fitness center. Underground parking will be available only for tenants.

*(Information adapted from Milwaukee Business Journal, "Northwestern Mutual to build a second tower in downtown Milwaukee – 33 stories, \$100 million," on October 5, 2015)*

## Klement Sausage Company Selects Architect for Headquarters at Pabst Professional Center

Klement Sausage Company has selected Madisen Maher Architects, a Milwaukee-based firm, to design their new corporate headquarters at the Pabst Professional Center. The company plans to move its operations there from 2324 South Burrell Street in Bay View. Klement will lease 13,000 square feet of space at the Pabst Professional Center, beginning occupancy in early 2016. The company will

occupy the building's fourth floor, and will house most of their executive team, sales, marketing, finance, IT, planning as well as customer support staff. Klement's manufacturing facilities will still remain at their current locations.

*(Information adapted from BizTimes, "Architect chosen for Klement corporate headquarters," on October 12, 2015)*



## Pierce Engineers Inc. to Relocate Operations to Nearby Third Ward Building

Pierce Engineers Inc., an engineering firm based in the Third Ward, plans to relocate its headquarters to a nearby building. Currently the firm is located at 241 North Broadway, and plans to purchase the building at 177 - 181 North Broadway. The 21,600 square foot property is a retail and office building. Pierce Engineers has requested finance assistance from the Milwaukee Economic

Development Corp. The firm is requesting a \$500,000 loan to help with the purchase and renovation of the three-story property.

*(Information adapted from Milwaukee Journal Sentinel, "Third Ward firm plans move to new neighborhood location," on October 14, 2015)*



## Outlook Development Seeking Grocery Store for Former Kmart in Hales Corners

The County Fair Shopping Center, located at 5600 South 108th Street in Hales Corners, which includes the former Kmart store, is being discussed with various retailers to anchor a redevelopment of the center. An affiliate of Outlook Development Group purchased the center for \$3.08 million, which also includes a Dollar Tree, stand alone Fortune Chinese Restaurant as well as 38,000 square feet of retail strip center stores. The group would prefer to replace the Kmart building with a grocery store to anchor

the center, but would consider smaller specialty grocers who wouldn't need the entire building, allowing that to be renovated for multiple stores. The building could also be demolished and a new building constructed depending on the tenant.

*(Information adapted from Milwaukee Business Journal, "Outlook Development still courting grocery store for former Hales Corners Kmart space," on October 12, 2015)*



## uBreakiFix Opens Another Milwaukee Area Location

Tech repair store, uBreakiFix, which offers same-day repair services of small electronics, cracked screens, water damage, software and camera issues as well as other technical problems, has opened its third location at 3654 South 27th Street. The store, located near the Point Loomis Shopping Center, is one of six planned for the Milwaukee area. The company,



which has operated since 2009, has more than 130 stores.

*(Information adapted from BizTimes, "uBreakiFix opens third store in Milwaukee," on October 7, 2015)*

## Button Block Building to Become Homewood Suites Hotel

The Button Block building, located at 500 North Water Street in downtown Milwaukee is planned to be converted into a Homewood Suites by Hilton hotel. The building, which is home to Joey Buona's Restaurant, is a seven-story, 66,913 square foot building, has the third through seventh floor currently vacant. The restaurant operates out of the first and second floor. Bear Development LLC, a Kenosha-based developer, plans to convert the historic building into a hotel, which will cost approximately \$17 million. The Button Block building is included in a tax incremental financing district, which includes the Mackie Building, located at 223 East Michigan Street.



*(Information adapted from BizTimes, "Hotel planned for Button Block building," on October 12, 2015)*

## Sendik's Food Market Proposing Store in West Milwaukee

Sendik's Food Markets, a Whitefish Bay-based grocer, plans to open a location at 4200 West Burnham Street in West Milwaukee, which borders Miller Park Way. The proposed 40,000 square foot store would be at the former ADM Milling Co. grain elevator site and would bring approximately 120 jobs to the area. The Village Board and Community Development Authority agreed to financing for the project totaling approximately \$2.1 million as well as spending \$400,000 on public improvements. The store



would then repay the financing through property taxes and would be expected to be paid by the year 2020. Construction of the store could begin in spring 2016, with an expected opening in late fall 2016 or spring 2017.

*(Information adapted from Milwaukee Journal Sentinel, "Sendik's plans West Milwaukee supermarket," on September 30, 2015)*

## Pabst Farms Plans New Retail Building in Oconomowoc

The Pabst Farms development near Interstate 94 and Highway 67 in Oconomowoc is planning an additional 6,700 square foot retail building. The new building, to be located at 1360 Pabst Farms Circle, will include relocation of the Starbucks café to include a drive-through. The previous store, located at 1370 Pabst

Farms Circle was built more than 10 years ago and does not have a drive-through. The Plan Commission plans to review the proposal at their next meeting.

*(Information adapted from Milwaukee Journal Sentinel, "New retail building planned for Oconomowoc's Pabst Farms," on October 15, 2015)*

## St. Paul Fish Company at The Public Market Plans Expansion

The Milwaukee Public Market's St. Paul Fish Company is looking to expand its outdoor tiki bar in order to be used year-round. The Third Ward Architectural Review Board has suggested a different vision for the expansion from Patrick Nedobeck, part of St. Paul Fish Company. Nedobeck wants to repurpose plate glass doors to put around the existing bar, while the review board would prefer

more of a garage door that could open and close, similar to Colectivo Coffee's set up directly across from the Public Market. The proposal will be presented again at the end of the month along with sketches for review.

*(Information adapted from BizTimes, "St. Paul Fish Company planning outdoor expansion," on October 14, 2015)*

## Portillo's Plans First Wisconsin Location at the Shoppes at The Corridor

Portillo's, a Chicago-based restaurant best known for its Chicago-style hot dogs and Italian beef, plans to open its first Wisconsin area location in the Shoppes at The Corridor in Brookfield. The proposed stores will have about 9,000 square feet and approximately 200 seats and will include aspects of Bluemound Road's history inside the restaurant. Portillo's is awaiting approval from



Brookfield Plan Commission and City Council on the proposal, but plans to open the location in the second half of 2016.

*(Information adapted from BizTimes, "Portillo's plans to open first Wisconsin restaurant in 2016," on October 7, 2015)*



## HSA Commercial Real Estate Inc. Proposes Industrial Building in West Allis

**H**SA Commercial Real Estate Inc., a Chicago-based company, is proposing a 150,000 square foot light industrial facility located at South 67th Street and West Rogers Street in West Allis. The 11.6-acre site, called Juneau Highlands Business Park, used to be a lime slurry disposal pit and other heavy industrial uses. While it has undergone

environmental cleanup, it hasn't attracted buyers previously. The proposal will be considered at the West Allis Community Development Authority meeting.

*(Information adapted from Milwaukee Journal Sentinel, "Chicago firm plans large industrial building in West Allis," on October 5, 2015)*

## Ashley Furniture to Expand Nationally, Including Wisconsin

**A**shley Furniture Industries Inc., an Arcadia-based furniture manufacturer, plans to add up to 454 new jobs at its manufacturing and distribution center in Davie County in North Carolina. Additionally, the company plans to add approximately two million square feet of manufacturing and distribution space across its United States facilities over the next 18 months. These expansions include one million square feet in California; 450,000 square feet in Texas; 175,000 square feet in Mississippi; as well as 150,000 square feet in Wisconsin. The



You're Gonna Love This Place!® expansions are to improve customer service.

*(Information adapted from Milwaukee Business Journal, "Ashley Furniture embarks on national expansion that includes Wisconsin," on October 14, 2015)*

## Carlisle Interconnect Technologies Expansion Plans Require Rezoning

**C**arlisle Interconnect Technologies Inc., an Augustine, Florida-based wire and cable manufacturer, is proposing a 30,000 square foot addition to its facility located at 5300 West Franklin Drive in the Franklin Business Park. The addition, which will add to its current 42,300 square foot facility, includes adding 75 parking spaces into the lot and up to 20 to 25 new jobs.

The proposed addition also requires rezoning the property to allow for expansion. The proposal is being reviewed by the Community Development Authority and the Economic Development Commission.

*(Information adapted from Milwaukee Journal Sentinel, "Franklin manufacturer plans expansion," on October 5, 2015)*



## Westminster Capital Sells Two Industrial Properties

**W**estminster Capital, a real estate investment firm based in Lake Forest, Illinois, sold two properties located at 4410 North 132nd Street in Butler and 4700 West Ironwood Drive in Franklin for \$15.9 million. The properties, totaling 223,200 square feet, were sold to Becknell Industries, a vertically integrated real estate firm based in Lyons, Illinois.



*(Information adapted from BizTimes, "Suburban Milwaukee industrial buildings sold for \$15.9 million," on October 13, 2015)*



## Caterpillar Inc. to Close Oak Creek Facility and Relocate Jobs to South Milwaukee

**C**aterpillar Inc., a Peoria, Illinois-based company, announced plans to close its Oak Creek operations at 6744 South Howell Avenue. The company plans to move 250 jobs to its South Milwaukee facility by third quarter 2016, and then sell the Oak Creek plant. The Oak Creek facility, which is owned by Bucyrus International Inc., who was acquired by Caterpillar in 2010, initially purchased the two-building Midwest Airlines corporate headquarters site. The company's global mining division is located out of the Oak Creek location. The

news follows a September announcement of the company planning to cut 4,000 to 5,000 jobs between now and 2016 to reduce costs, but it is not specified how many local employees will be impacted. The 120,833 square foot site, located near the airport and freeway, will make it attractive to buyers.

*(Information adapted from BizTimes, "Caterpillar to close its Oak Creek corporate office complex, move jobs to South Milwaukee," on October 7, 2015)*



## Snack America LLC Proposes Purchase of Former Tavern for New Facility

**T**he building located at 3419 West Forest Home Avenue in Milwaukee, could be converted into a snack making and packaging facility. Snack America LLC has proposed to purchase the 10,838 square foot tavern. The manufacturer has received unanimous endorsement by the Common Council's Zoning, Neighborhoods and Development Committee, but

needs city approval. Snack America plans to spend \$58,000 in renovations to add kitchen equipment to produce, package and distribute snacks. Additionally, a retail area is also slated.

*(Information adapted from Milwaukee Journal Sentinel, "Former bar to be converted into snack-making facility," on October 7, 2015)*



## Craft Development LLC Looking for Loan for Mixed-Use Development in Walker's Point

Craft Development LLC has proposed a mixed-use development at the corner of South 2nd Street and West Walker Street in the Walker's Point neighborhood. The industrial properties, which have been vacant since Federal Manufacturing Co. moved out last year to move to their new facility in Pewaukee, are to convert the site into apartments, offices and event space. The project, known as Federal Commons, is seeking a \$389,000 loan from the Milwaukee Economic Development Corp. The loan will help purchase furniture, fixtures and equipment for the banquet hall in a proposed

6,000 square foot event space at 838 South 2nd Street. Additionally, the project will include a 36-unit apartment building at 822 South 2nd Street and an office building in a renovated 10,500 square foot, one-story building at 829 South 1st Street. The event building, which will be leased to Saz's Hospitality Group, will be the exclusive caterer and could accommodate up to 350 people.

*(Information adapted from Milwaukee Journal Sentinel, "Walker's Point mixed-use development seeks MEDC loan," on October 13, 2015)*

## Sydney Hih Property to be Transferred to Milwaukee Bucks Real Estate Group for Development

The former Sydney Hih property has been approved by the city of Milwaukee to be transferred to the Milwaukee Bucks real estate arm, Head of the Herd LLC, for future development as a staging area for equipment and supplies during the arena development. The Milwaukee Redevelopment Authority approved the \$1 of the site, where the building that used to house funky arts and crafts shops and Unicorn, a punk rock nightclub, was demolished in 2012. The site, located at West Juneau Avenue and North Old World Third

Street. The first phase of construction related to the arena will be on the west end of the Park East corridor, including a parking structure located at North Fifth Street and Juneau, as well as a Bucks practice facility at North Sixth Street between Juneau and West McKinley Avenue.

*(Information adapted from Milwaukee Business Journal, "City agrees to transfer Sydney Hih property to Milwaukee Bucks real estate arm," on October 16, 2015)*



## Former Prime Leather Furnishes Co. to Become Mixed-Use Development

David Winograd, a Milwaukee-based developer along with his partner, Robert Bach, owner of P2 Development Company based in Saukville, have begun construction at the former Prime Leather Furnishes Co. property located at 188 South 2nd Street. The project is to turn the facility into a building with street level retail and 10 apartments. The building will have a shared walk-out patio on the second floor along with a fire pit and grilling stations. The 12,180

square foot, two-story building is expected to be completed in approximately eight months. While there has been interest in the retail space, nothing has been secured. The developers are looking to have a restaurant, specialty stores as well as a budget haircut store.

*(Information adapted from BizTimes, "Mixed-use development begins at former Prime Leather Furnishes Co.," on October 16, 2015)*

# MILWAUKEE DEALS

## CBRE | Wisconsin Recently Completes 39 Deals Totaling Nearly 460,800 Square Feet

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

### Leases

- Riley Construction Company, Inc. leased 4,046 SF of space at 11270 West Park Place, Milwaukee, from GLL U.S. Office, L.P. Matt Hunter, Jim Cavanaugh & Alyssa Geisler from CBRE handled this transaction.
- National Kidney Foundation of Wisconsin, Inc. leased 1,297 SF of space at 10909 West Greenfield Avenue, West Allis, from Tri City National Bank.
- Source 2 Market, LLC leased 40,000 SF of space at 555 Eastside Road, Platteville, from BSK, LLC.
- Uline, Inc. leased 1,659 SF of space at 330 East Kilbourn Avenue, Milwaukee, from Plaza East, Inc.
- Core Creative, Inc. leased 4,729

SF of space at 600 Virginia Street, Milwaukee, from Tannery Atlas LLC.

- Big Mike's Super Subs of Wisconsin Inc. leased 1,609 SF of space at 306 Junction Road, Madison, from 302-376 Junction Road Holdings, LLC.
- Michael J. Kittoe d/b/a American Family Insurance leased 1,203 SF of space at 334 Junction Road, Madison, from 302-376 Junction Road Holdings, LLC.
- Kasdorf, Lewis & Swietlik, S.C. leased 19,600 SF of space at 11270 West Park Place, Milwaukee, from GLL U.S. Office, L.P.
- Supercuts, Inc. leased 1,324 SF of space at 2289 Westowne Avenue, Oshkosh, from Westowne Shoppes, LLC.
- Henry J. Plum d/b/a Henry J. Plum Law Office leased 1,413 SF of space at 2665 South Moorland Road, New Berlin, from Park Crest Associates, LLC.

• Wisconsin Scrub & Sweep, LLC leased 3,000 SF of space at 2550 Advance Road, Madison, from Oakleaf Properties, Inc.

• Hub Group Trucking, Inc. leased 8.71 acres at 550 West Oklahoma Avenue, Milwaukee, from Rex Properties, LLC.

• Brusky & Associates S.C. leased 1,804 SF of space at 2600 North Mayfair Road, Wauwatosa, from Mayfair Mall, LLC.

• HomeGoods, Inc. leased 21,000 SF of space at SEC of Falls Parkway & Pershing Road, Menomonee Falls, from CP-26, LLC.

• Office Depot, Inc. leased 30,902 SF of space at 1535 West Mason Street, Green Bay, from JPMCC 2006-CIBC14-1535 West Mason Street LLC.

• Sport Clips leased 1,200 SF of space at 15500 West Greenfield Avenue, Brookfield, from Greenfield Retail Development LLC.

### Sales

- 1711 South Street, LLC purchased 48,400 SF of space at 1801 William Street, Racine, from Summit Packaging Systems, Inc.
- Aldi, Inc. (Wisconsin) purchased 0.96 acres at 925 Green Bay Road, Neenah, from Investors Community Bank.
- Aldi, Inc. (Wisconsin) purchased 3,245 SF of space at 927 Green Bay Road, Neenah, from Ali Useini.
- Acuity Properties, LLC purchased 33,821 SF of space at W228 N821 Westmound Drive, Waukesha, from Marschil, LLC.