



CBRE | MILWAUKEE

CBRE NEWS

SEPTEMBER 2015

IN ONLY 8 MONTHS, CBRE DELIVERS OVER 140,000 SF OF LEASED SPACE AT ONE PARK PLAZA

Challenge

In early 2015, One Park Plaza Owners, GLL Real Estate Partners, were considering strategic options to stimulate leasing in their One Park Plaza building. BMO Harris had announced that they were planning to vacate 72,000 square feet in the building in October, 2015, and two other tenants in the building with sizable spaces were approaching lease expirations. If all three tenants chose to vacate, the vacancy in the 199,000 square foot building would have gone from 89% occupied to approximately 30% occupied.

Solutions

GLL Real Estate Partners decided to interview brokerage firms to help stabilize and increase the amount of leasing activity at the building. In February of 2015, ownership awarded the leasing assignment to CBRE, specifically Matt Hunter and Alyssa Geisler. CBRE quickly leveraged one option, the potential sale of the building to get in front of tenants with upcoming lease expirations, selling the unique and time sensitive opportunity to achieve very favorable economics.

Results

In only eight months, CBRE was successful in negotiating and retaining over 140,000 square feet of leases within the building, for an above market average lease term of over six and a half years per deal. The following leases were completed:




72,000 SF



Innovation has a name.
45,000 SF



20,000 SF

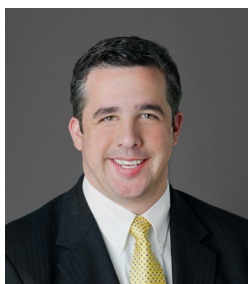


4,000 SF

Remarkably, this equates to an average of over 17,500 square feet of leasing per month for eight straight months!

Today, GLL Real Estate Partners is pleased with the guidance and expertise they achieved through both Matt Hunter and Alyssa Geisler. CBRE's unique and focused approach to taking on listings afforded them the ability to dedicate the time and attention One Park Plaza required in order to deliver quick results. As a result, GLL Real Estate Partners is re-energized in its ownership of this revitalized asset and is working with CBRE to further improve the common areas of the building, as well as the overall leasing experience for both current and future tenants.

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Recommendations

"Matt Hunter is a true professional. He not only understands the importance of meeting a challenge with creativity and immediacy, but quickly recognizes the importance of an assignment and then delivers results. I would not hesitate to recommend him, or CBRE to any of my business associates seeking best in class advice."

~Ed Rime,
Vice President Asset Management,
GLL Real Estate Partners



Broadway Center Building to be Sold in Online Auction

The six-story, foreclosed Broadway Central building located at 241 North Broadway in Milwaukee is set to be sold in an online auction this November. The 99,450 square foot office and retail building was foreclosed last year and is currently 68 percent occupied. The auction, to be held on Auction.com,

has bidding set to start at \$1 million. The building is appraised at almost \$9 million.

(Information adapted from Milwaukee Business Journal, "Foreclosed 3rd Ward building to be auctioned online," on September 17, 2015)



United States Golf Association to Lease Space in Elm Grove

The United States Golf Association (USGA) plans to open an office in Elm Grove. It is common practice to rent space where a U.S. Open will be held, and one is slated for June 15 – 18, 2017 at Erin Hills golf course, located in the the Town of Erin in Washington County. The organization leased 2,366 square feet

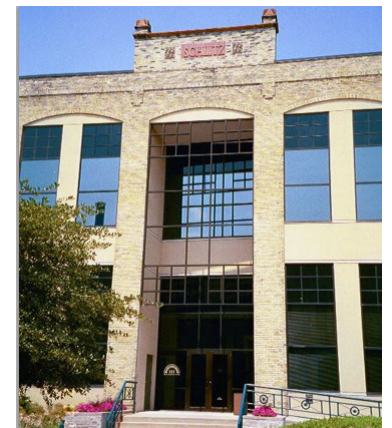
of space at 12700 West Bluemound Road. This allows time to coordinate hospitality programs, ticket sales as well as spending time at the golf course.

(Information adapted from BizTimes, "USGA to open office in Elm Grove," on September 2, 2015)



Siesennop & Sullivan Relocating to Schlitz Park

The law firm of Siesennop & Sullivan is relocating offices from the Third Ward to Schlitz Park. The firm plans on leasing 4,306 square feet of space at the Keg House Building, located at 111 West Pleasant Street. Plans are to be operational in the new space by the end of the year. Siesennop & Sullivan has been in the Third Ward since 1997 and currently has an office at 200 North Jefferson Street.



(Information adapted from BizTimes, "Third Ward law firm moving to Schlitz Park," on September 9, 2015)

Ryan Cos. Propose Medical Office Building in Mequon

Ryan Cos. is proposing a medical office building in Mequon with Froedtert & the Medical College of Wisconsin being a possible tenant in that proposed facility. The 84,000 square foot, \$21 million project is still in negotiations, according to Ryan Cos., so the tenant has not yet been disclosed. Froedtert has stated that they are considering the possibility of occupying the proposed facility, to be located at Port Washington Road and Venture Court. According to the Plan Commission, a tenant must be disclosed by the next scheduled meeting, slated for October 12. A

Mequon location would expand the reach of Froedtert & the Medical College of Wisconsin into southern Ozaukee County and the northern suburbs.

(Information adapted from Milwaukee Business Journal, "Froedtert & the Medical College of Wisconsin could be tenant for proposed Mequon medical project," on September 1, 2015)

Skyline Technologies Plans Relocation to Ridgeview Office Center

Skyline Technologies, an IT consulting firm, is relocating to Ridgeview Office Center, located at N16 W23217 Stone Ridge Drive in Pewaukee, to accommodate growth. The company, who has increased employees from 83 in 2011 to a current total of 175, will lease 12,000 square feet of space at the building. The new location will have a "Skyline Garage," a flexible and innovative space for meetings,

development camps, trainings and community events. This concept has been used in other Skyline locations. The new space will allow team collaboration areas, flexible meeting and social areas as well as sit-to-stand work environments.

(Information adapted from BizTimes, "Skyline Technologies relocating to accommodate growth," on September 16, 2015)



Underwood Crossing Development to House Children's Hospital of Wisconsin Facility

The last tenant for the Underwood Crossing development is slated to be Children's Hospital of Wisconsin. They plan to construct 18,500 square foot facility focusing on primary care, at 12635 West Bluemound Road in Brookfield. Once completed, the Children's Hospital of Wisconsin Pediatric Consultants of Wisconsin will

relocate to the new facility from 10909 West Bluemound Road.

(Information adapted from BizTimes, "Children's Hospital building in Brookfield," on September 16, 2015)

Home2 Suites Hotel Development in Brookfield Underway

A Home2 Suites by Hilton hotel is under construction near Goerke's Corners in the town of Brookfield. The 107-room hotel is slated to open in fall 2016 and will be managed by Kinseth Hospitality Companies, an Iowa-based company. This is the second area Home2 Suites

by Hilton hotel in the area, with the other located at 5880 South Howell Avenue in Milwaukee.

(Information adapted from BlzTimes, "Construction on Home2 Suites hotel in Brookfield begins," on September 9, 2015)

Meijer Inc. Purchases Land for West Bend Store

Meijer Inc., a Grand Rapids, Michigan-based supermarket and discount retailer, has purchased land at South Main Street and Parkway Drive in West Bend to build another store. The 30.7-acre site is proposed to be a 192,940 square foot store with a drive-thru pharmacy, outdoor garden center, full grocery and general merchandise department. Meijer has recently opened stores at



Drexel Town Square and Burleigh Street in Wauwatosa in addition to stores in Grafton and Kenosha.

(Information adapted from BizTimes, "Meijer purchases land for store in West Bend," on September 16, 2015)

The Suites at Northshore Hotel to be Sold Via Auction

The Suites at Northshore hotel, located at 7275 North Port Washington Road in Glendale is slated to be sold in an online auction. The hotel, owned by BRE Imagination Hotel Owner LLC, a Boca Raton, Florida affiliate with Boca Raton Resort & Club, a

brand of Hilton Worldwide. The property, built in 1988, has 96 rooms and sits on 2.3 acres. The starting bid is set at \$600,000.

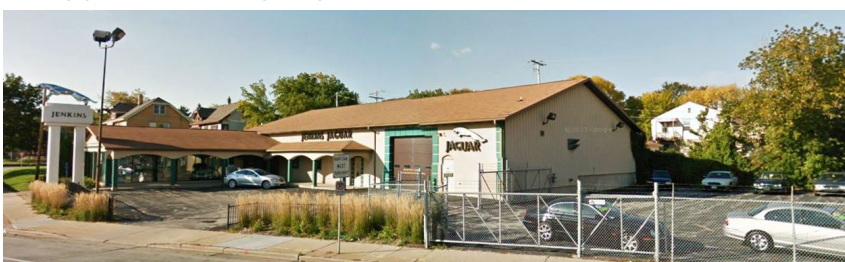
(Information adapted from BizTimes, "Glendale hotel up for auction," on September 2, 2015)

Former Auto Dealership Buildings Being Sold

The former Jenkins Volvo and Jenkins Jaguar buildings, located at 4020 and 4035 North Green Bay Avenue in Milwaukee are set to be sold. The properties are being sold by Braun, a Manhattan Beach, California-based national real estate auction and appraisal company. The

Jenkins Volvo property is being marketed for \$785,000 and the Jenkins Jaguar property is marketed for \$490,000.

(Information adapted from BizTimes, "Jenkins Volvo and Jenkins Jaguar buildings being sold," on September 16, 2015)



GiGi's Cupcakes To Open at Drexel Town Square

GiGi's Cupcakes, a Nashville-based cupcake franchise, plans to open a location at Drexel Town Square in Oak Creek next spring. The company, which also has a location at 2751 North Mayfair Road in Wauwatosa, is now the largest cupcake franchise with more than 90 locations in 23 states. They plan on opening 25 additional stores this year.



(Information adapted from BizTimes, "National cupcake chain moving to Drexel Town Square," on September 18, 2015)

Nashville Developer Purchases Land in Pleasant Prairie for New Retail Buildings

An affiliate of Nashville developer Oldacre McDonald has purchased a 2-acre site along Highway 50 and 94th Avenue in Pleasant Prairie for \$1.62 million. The plan for the development, named The Bulls-Eye, is to construct two buildings with space for stores and restaurants. The combined 13,450 square foot proposed buildings are undergoing village

approvals this October. The developer has noted four of five spaces have been leased, but not disclosed who those tenants are.

(Information adapted from Milwaukee Business Journal, "Pleasant Prairie land sold to Nashville developer for new restaurant, retail buildings," on September 8, 2015)

HSA Commercial Purchases Retail Center in Greenfield

A group who is affiliated with HSA Commercial, who is developing the Mayfair Collection in Wauwatosa, has purchased a retail center at 4935 South 76th Street in Greenfield by Southridge Mall. The purchase included the 36,600 square foot Barnes & Noble store as well as a 9,029 square foot multi-tenant building including Verizon Wireless. In addition to the company's work on the Mayfair Collection, they are also renovating an older strip center



located at West Bluemound Road and Calhoun Road in Brookfield.

(Information adapted from Milwaukee Journal Sentinel, "Mayfair Collection developer buys retail center near Southridge," on September 17, 2015)

Milwaukee County Research Park Seeks Retail Developments

Milwaukee County Research park is attempting to find developers to develop three acres for sale on Innovation Drive on Watertown Plank Road, including restoring a historic building. The 8,190 square foot historic property is a 101-years old that was formerly a power house, and could service office workers in the research park. They are looking for retail and commercial development such as a restaurant, coffee shop,

bank or other retail options. The 1.6 acres of vacant land as well as the power house building is priced at \$3.3 million. A new building could be up to two stories and approximately 7,500 square feet of space.

(Information adapted from Milwaukee Business Journal, "Milwaukee County Research Park seeking restaurant, retail development," on September 8, 2015))

Interstate Partners Receives Approval for New Pewaukee Industrial Building

Interstate Partners LLC, a developer, has received approval from the Pewaukee Plan Commission on a second industrial building in the Bluemound Corporate Park, located at County Highway JJ. The 75,000 square foot facility will be the final phase of the business park which is just east of the Waukesha County Airport. The first 100,000 square foot building is partially leased to

EmbedTek LLC, a computer hardware and display manufacturer.

(Information adapted from Milwaukee Business Journal, "Interstate Partners gains approval for new Pewaukee industrial building," on September 20, 2015)



Carlisle Interconnect Technologies Plans Building Expansion

Florida-based Carlisle Interconnect Technologies, a maker of cable

systems for aviation, military and industrial machinery, wants to expand its Franklin manufacturing facility. The company's current facility on West Franklin Drive is 43,480 square feet, but is looking to expand it by 30,000 square feet. The project, estimated at \$3 million, has been proposed for city approval. If completed, the company plans to add

31 full-time positions at the facility.

(Information adapted from Milwaukee Business Journal, "Franklin manufacturer plans \$3 million expansion and 31 new jobs," on September 14, 2015)

E.R. Wagner Could Receive Village Fund for Relocation

E.R. Wagner Co., a manufacturer who plans to relocate to Menomonee Falls, could receive village financing for the project. Plans are to construct a 157,000 square foot facility at Old Orchard Road, near Main Street. The proposal would have the company receive two \$300,000 payments, one after completion of site preparation work and the other upon completion of the building's footings and foundation. The work would need to be completed by June 2017, and the financing would be repaid through property

taxes generated in a tax incremental financing district. Another proposal to be considered is allowing E.R. Wagner to sell \$10 million in bonds to finance the project. Both proposals are under consideration at the Village Board meeting.

(Information adapted from Milwaukee Journal Sentinel, "Milwaukee firm moving to Falls could get \$600,000 in village funds," on September 21, 2015)

Dollar General to Construct Midwest Distribution Center in Janesville

Dollar General has selected Janesville for an approximately one million square foot distribution center in the city's Highway 11 Business Park. The Midwest distribution center will be the retailer's 14th in the country, after consideration of multiple sites including some in Iowa and Illinois. The Wisconsin Economic Development Corp. (WEDC) has pledged \$5.5 million in tax credits, as long as the company spends at least \$75 million in construction of the building, as well as creates 552 jobs.

The facility, expected to be completed by 2019, would be able to subsidize the project with a tax incremental financing district the state's Transportation Economic Assistance could award grants as well.

(Information adapted from Milwaukee Business Journal, "Dollar General to build \$75M Midwest distribution center in Janesville," on September 9, 2015)



Sorce Services LLC Purchases Waukesha County Former Recycling Center

The recycling facility located at 220 West Prairie Avenue in Waukesha was sold by Waukesha County for \$1.1 million. The county sold the building due to opening a new joint facility with the city of Milwaukee. The 32,400 square foot property was sold to Sorce Services LLC, a Franksville-based construction recycling and waste company.

(Information adapted from Milwaukee Business Journal, "Waukesha County sells former recycling center for \$1.1 million," on September 11, 2015)

Milwaukee Bucks Looking to Begin Construction on Practice Facility

The Milwaukee Bucks plan to begin construction on a new practice facility in the Park East corridor, located at North 6th Street and West Juneau Avenue. The planned 50,000 to 60,000 square foot facility would replace where the team currently practices at the Cousins Center in St. Francis. The project is estimated at \$25

to \$30 million and will allow the team to upgrade to best of class equipment for the practice and training facility.

(Information adapted from Milwaukee Journal Sentinel, "Bucks hope to break ground this year on Park East practice facility," on September 9, 2015)



Northwestern Mutual Wants to Move Forward on Mixed-Use Project

Northwestern Mutual is considering moving forward with plans for another development to include employee parking, retail and other uses. The building, which will hold parking for at least 1,100 spaces, will likely have first-floor retail, but what the upper level floors will be used for has not been decided. The hope is to move forward with plans by the end of the year. There are two downtown options possible for the project. The first is the block at 611 East Wisconsin, which the

company owns and currently has an office building and parking lot. The second option is the block at East Wells Street and North Van Buren Street where Northwestern Mutual has been acquiring properties over the past few years.

(Information adapted from Milwaukee Business Journal, "Northwestern Mutual hopes to move by end of year on new downtown parking, mixed-use project," on September 15, 2015)

Prospect Avenue Parking Lot to be Converted into Apartment Building

The East Side Architectural Review Board has unanimously approved the proposal by Joseph Property Development for a six-story apartment building to be located at 2228 North Prospect Avenue in Milwaukee. The development will replace a Qdoba Mexican Grill and parking lot. The building will include one-bedroom units designed by Milwaukee-based Rinka Chung

Architecture along with first-floor retail space. The project is slated to begin work soon, with an expected completion of spring 2017.

(Information adapted from Milwaukee Business Journal, "Developer cleared to convert Prospect Avenue parking lot into apartment building," on September 18, 2015)

HSA Commercial Purchases New Building & Seeks Approval on Redevelopment Site

HSA Commercial Real Estate Inc., developer of the Mayfair Collection and The District, is seeking approval to redevelop the former Schwaab Inc. building at 11415 West Burleigh Street. The project, which will compliment the Mayfair Collection's higher-end offerings, is likely to include a fast-casual restaurant, a full-service restaurant as well as a beer/liquor store. It will also include bike-friendly traffic lanes, a rain garden and "bike rest area." The former Schwaab warehouse is set to be the gateway into The District, a

retail and residential center near the Burleigh Triangle in Wauwatosa. HSA Commercial recently closed on the three-story office building located at 3077 North Mayfair Road, which will be an eastern entry into the development. Plans are to convert the property into a mixed-use development.

(Information adapted from Milwaukee Business Journal, "HSA buys \$3.3M property near Mayfair Collection, unveils Schwaab building revamp," on September 2, 2015)



MILWAUKEE DEALS

CBRE | Wisconsin Recently Completes 34 Deals Totaling Nearly 383,000 Square Feet

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

Leases

- Aquent LLC leased 2,000 SF of space at 735 North Water Street, Milwaukee, from Compass Properties North Water Street, LLC.
- OfficeMax North America, Inc. leased 23,500 SF of space at 4040 Commonwealth Avenue, Eau Claire, from Menard, Inc.
- WAC Management, Inc. leased 30,985 SF of space at 411 East Wisconsin Avenue, Milwaukee, from FMC Investment Opportunities 411 East Wisconsin SPE LLC.
- Oxford Global Resources, LLC leased 2,442 SF of space at 330 East Kilbourn Avenue, Milwaukee, from Plaza East, Inc.

- Stone Ridge Law Office, LLC leased 2,139 SF of space at N14 W23777 Stone Ridge Drive, Waukesha, from Stone Ridge II, LLC.
- LeafFilter North, Inc. leased 4,800 SF of space at 1020 James Drive, Hartland, from St. John Properties, Inc.
- Sensient Technologies Corporation leased 22,100 SF of space at 777 East Wisconsin Avenue, Milwaukee, from U.S. Bank National Association.
- Milwaukee Health Service Systems leased 4,200 SF of space at 3440 Oakwood Hills Parkway, Eau Claire, from Keystone Corporation.
- Milwaukee Health Service Systems leased 8,020 SF of space at 200 Washington Street, Wausau, from Heinemann Venture, LLC.

- Wells Fargo Bank, N.A. leased 2,982 SF of space at 103 and 105 River Place Drive, Monona, from River Place Business Center, LLC.
- Royal Box Group, LLC leased 44,000 SF of space at 6551 West Mill Road, Milwaukee, from T. Ryan II, LLC.
- Advanced Mobile, Inc. leased 1,600 SF of space at 3454 52nd Street, Kenosha, from RB Resolution Properties, LLC.
- 7Summits, LLC leased 18,313 SF of space at 1110 Old World Third Street, Milwaukee, from RFP Office LLC.
- Acelero Learning Wisconsin, Inc. leased 11,320 SF of space at 5805 South Packard Avenue, Cudahy, from GAR Cudahy LP.

Sales

- Hotel Madrid Restaurant purchased 5,084 SF of space at 600-604 South 6th Street, Milwaukee, from Gloria and Pedro Castillo.