



MINUTES OF AN OFFICIAL MEETING:

Regular Meeting:	<i>Economic Development Committee</i>
Date and Time:	<i>Monday, January 17, 2022 at 5:00 pm</i>
Location:	<i>City Hall, 2000 N. Calhoun Rd., Council Chambers</i>
Members Present:	<i>Alderman Bob Reddin, Glen Allgaier, Brian Shecterle, Michelle Bougie</i>
Members Excused:	<i>Open Seat</i>
Others Present:	<i>Dan Ertl, Director of Community Development, Todd Willis, Economic Development Coordinator, Nancy Justman, Executive Director of Visit Brookfield, Alderman Bill Carnell, Suzanne Kelly, President of Waukesha County Business Alliance, Judie Taylor, Executive Director of Waukesha County Center for Growth (WCCG), Lucy Waldhuetter, Business Consultant at Waukesha County Center for Growth, Ty Staviski, Milwaukee Tool, Patti Neizer, Waukesha County Business Alliance</i>

1. Roll Call

Alderman Reddin noted a quorum present and called the Economic Development Committee to order at 5:02 pm

2. Announcements

- a. Introduction of New Member Michelle Bougie to the Economic Development Committee
- b. The Next Regularly Scheduled meeting will be held on Monday, February 7, 2022 at 5:00 pm

3. Minutes of the October 4, 2021 Economic Development Committee Meeting

Motion by or Member Glen Allgaier, second by Member Brian Shecterle to approve the minutes of the October 4, 2021 Economic Development Committee meeting. Motion carried 4-0 unanimously.

4. New Business

- a. Report from the Convention and Visitors Bureau

Mrs. Justman discusses conference center postponements and cancellations of first and second quarter. Struggle of hospitality sector due to Covid pandemic. **Mr.** ask question of issues with the conference center and if it is due to the size of events being held at the location.

- b. Presentation from Waukesha County Center for Growth (WCCG)

Mrs. Judie Taylor Executive Director of Waukesha County Center for Growth discussed the importance of regional economic development. She explained that it provides businesses the ability to grow and thrive.

Mrs. Lucy Waldhuetter discussed that WCCG has 3 strategic initiatives which are to: attract and retain businesses, business consulting, and solutions for workforce development. In 2021, WCCG worked with 420 businesses, assisted 1,900 businesses for funding through WEDC. With the business consulting, WCCG is more of a project based 1-on-1 consulting, from start-up initiatives to expansions and acquisitions. The business consulting is considered short term in helping with access to capital funding.

Mrs. Susan Kelly talked about the Waukesha County Business Alliance organization promoting a strong work force development with Waukesha County school districts. The goal is to ensure that those students in k-12 are college and career ready once they are completed with high school. Other program areas of focus of the Waukesha Business Alliance are: life-cycle housing, transit, child care, diversity and inclusion, and other areas that will attract talent to the region. Mrs. Kelly closed by stating that she hopes with the City of Brookfield's participation with WCCG, it creates opportunities through collaboration for a greater economic development regionally.

For Brookfield specifically, Mrs. Taylor explained that in 2021, WCCG worked in some capacity to help 29 businesses grow (either space or workforce) with a capital infusion of \$2.2 million. WCCG also assisted 300 businesses receive grant funds through various WEDC grant programs to offset the pandemic. WCCG has logged around 570 hours of consulting work related to Brookfield businesses over the last 3 years.

Mrs. Neizer spoke about the Business Alliance understanding the importance of economic development at a County level. Along with the importance of jobs within the County, there is also an importance of quality of life. Mr. Staviski talked about the importance of supporting the residents of Waukesha County with the jobs, opportunities, and places that create vibrancy. He added that the importance of locating people in jobs or living in Waukesha County is creating a place that keeps them in the area.

Alderman Reddin asked where WCCG was in membership from other municipalities within the County? Mrs. Taylor stated that in 2020 there were 12 participating municipalities, and in 2021 14 municipalities in Waukesha County participated in WCCG. Alderman Reddin asked Mrs. Kelly what the 5 years vision of the organization was when it was created, and if she felt the organization had achieved those goals to date? Mrs. Kelly stated that she felt that WCCG had met the vision for services and value provided to communities in Waukesha County, but continue to work with municipalities that have not joined WCCG to help them understand the benefits of the organization. Alderman Reddin asked what the relationship was with other county regional organizations (M7)? Mrs. Taylor stated that they work with M& on county specific searches that are looking at the region, and M7 is also a good referral source of available opportunities. Mrs. Bougie asked what the cost comparison from years past was for funding from the City to its current funding in 2022? Mr. Willis explained that the funding cost for the City had remained the same from 2016 to 2021, and the 2022 contract increased the cost by 5% from 2021. Mrs. Bougie asked if there were any services that the City was not taking advantage of currently? Mrs. Waldhuetter said no, and if there was something that became offered (i.e. grant or services), WCCG would communicate that with the City. Mrs. Kelly stated that the City was an original partner, so over the past few years a good relationship has been built and staff would know if they felt a service should be offered or offered more, they would know who to communicate that with. Mr. Allgaier stated that based on WCCG's overall funding

(\$400,000), and all of the services provided, and trying to determine what the organizations critical mass is in creating a meaningful impact to the City of Brookfield and Waukesha County. Mr. Allgaier asked if when it comes to workforce, is WCCG in a more proactive mode or reactive mode? Mrs. Taylor stated that WCCG is more proactive mode in that people are aware of the services provided, and through presentations to various organizations in the County of services provided.

c. Review and Action on WCCG Contract for 2022

Todd Willis discussed the various levels of achievements over the past year in relation to the City of Brookfield metrics for contracting with WCCG. So increased community partnerships (14), currently updating the community profile with updated census, site selection and site visits have been offered when appropriate, and business creation (2).

Staff recommendation of approval for a contract with Waukesha County Center for Growth in fiscal year 2022.

Motion by or Member Brian Shecterle, second by Alderman Reddin to approve the 2022 contract with Waukesha County Center for Growth. Motion carried 4-0 unanimously.

d. Update on Brookfield vacancy and absorption rates for industrial, office, and retail markets

Mr. Willis went over the vacancy and absorption report for the office, retail, and industrial markets for 4th Quarter. *(Staff Report Supplied)*

e. Report of the Economic Development Coordinator

1. Review of Market Predictions for 2022 from COSTAR

Mr. Willis briefly discussed market predictions for 2022 related to the office, retail, and industrial markets nationally from COSTAR and how they will relate to the City of Brookfield.

2. Boston Store Update

Mr. Willis updated the EDC that the vacant former Boston Store building at Brookfield Square had been purchased by Irgen's, and that they were currently working through various development opportunities with CBL (Brookfield Square's property owner).

3. New Development Project Updates

Mr. Willis gave a high level overview of future projects that have been discussed with City staff, and projects that had been recently approved by the Plan Commission and Common Council.

5. Adjournment

Motion by Member Brian Shecterle, second by Member Glen Allgaier to adjourn the meeting at 6:10 pm. Motion carried 4-0 unanimously.

Respectfully Submitted: February 3, 2022
Todd Willis
Community Development – Economic Development coordinator

Update on Brookfield vacancy and absorption rates for industrial, office, and retail markets - Staff Report

Office

December 2021 – The month of December saw a significant increase in office vacancy within the City. This is most likely due to the fact that certain lease cycles ran out at the end of the year, and decisions were made about space. Some previously occupied office space saw a dip in space utilized by existing tenants with a focus on hybrid models of work and space. Overall the amount of space vacated in December of 2021 was 40,364 SF. This equates to 3% of vacant office space (1,269,823 SF) in the City of Brookfield, and an increase of 33,754 SF of vacant space compared to November of 2021.

4th Quarter – The 4th Quarter average for vacant office space was worse than the 3rd quarter, but better than the comparable 1st and 2nd quarters. During the 4th Quarter the City saw an average loss of 14,087 SF of office space vacated compared to the average gain of 1,524 SF during the 3rd Quarter.

2021 – For the year (12 month average) the City saw an average loss 16,128 SF of office space. There were and still are significant changes happening within the office market, these changes are likely to continue to hamper the Brookfield office market for the first half of 2022. The City should be willing to adapt to these changes within the market to allow for redevelopment of aging and outdated office buildings within the City, and accommodate through various changes in zoning to allow for their success moving forward. The City is also saturated compared to other metro suburban office markets, so in some cases, reductions of larger offices buildings could create more demand.

Retail

December 2021 – The month of December saw a significant increase in retail vacancy, with 70,010 SF of retail space becoming vacant. This was an increase of 58,889 SF of retail space when compared to November. The losses in retail space for December equates to 8% or the City's total vacant retail space (867,149 SF). Some of the added vacant retail space could be attributed to end of the holiday season and temporary retailers.

4th Quarter – The 4th Quarter continued the trend of increased vacant retail space from the 2nd Quarter. With a loss of 27,074 SF of retail space, it was in line with the 12 month average for the City.

2021 – The 2nd Quarter was the only positive 3-months of 2021 for the City. It should be noted that there was no data collected in January of 2021, which led to greater losses of retail space attributed to February (136,979). As City staff continues tracking these vacancies in 2022, more accurate baselines for the market will be associated with the reports.

Industrial

December 2021 – December continued the strong showing of industrial properties located in the City. The Brookfield Industrial market saw absorption gains within the industrial market of 41,000 SF in December.

4th Quarter – During the 4th Quarter the City's industrial properties absorbed an average of 31,437 SF per month.

2021 – For 2021 the City only saw 2 months (August & October), where the absorption rates were net losses. As the year came to a close, the City only has 25,387 SF of vacant industrial property in the entire City. While the national average for industrial property vacancy is also strong (about 2-2.5%), the City of Brookfield has an actual vacancy of .7%.