



MINUTES OF AN OFFICIAL MEETING:

Regular Meeting: *Economic Development Committee*

Date and Time: *Monday, March 7, 2022 at 4:30 pm*

Location: *City Hall, 2000 N. Calhoun Rd., Council Chambers*

Members Present: *Alderman Bob Reddin, Glen Allgaier, Michelle Bougie, Brian Shecterle, Brian Melter*

Members Excused: *Nancy Justman-President Visit Brookfield*

Others Present: *Dan Ertl-Director of Community Development, Todd Willis-Economic Development Coordinator, Javon Scott-Community Development Intern*

1. Roll Call

Alderman Reddin noted a quorum present and called the Economic Development Committee to order at 5:07 pm.

2. Announcements

- a. Chairman Reddin introduced the new Economic Development committee member Brian Melter. Member Brian Melter introduced himself to the committee and explained his background and his interests in economic development within the City of Brookfield.
- b. Next regularly scheduled meeting is April 4, 2022 at 5:00 pm.

3. Minutes of the February 7, 2022 Economic Development Committee Meeting

Motion by or Member Glen Allgaier, second by Member Michelle Bougie to approve the minutes of the February 7, 2022 Economic Development Committee meeting. Motion carried 5-0 unanimously.

4. New Business

- a. Report from the Convention and Visitors Bureau

Mrs. Justman submitted a report to the Economic Development Committee which outlined: *Booking information from the Brookfield Conference Center, Visit Brookfield and Brookfield Conference Center website engagement, and social media engagement.* Mrs. Justman's report also stated that Visit Brookfield was awarded a \$20,000 grant from the Wisconsin Department of Tourism for a 2023 event to be hosted at the Sheraton.

- b. Report on vacancy and absorption rates for industrial, office, and retail markets for February 2022.

Mr. Willis went over the vacancy and absorption report for the office, retail, and industrial markets for February 2022. *(Staff Report Supplied)* Mr. Willis supplied the Economic Development Committee with neighboring and peer city community metrics related to availability for each commercial market.

- c. Report on City of Brookfield Economic Development Plan 2021 Yearly Metrics

Community Development Intern Javon Scott went over the 2021 Yearly Economic Development Plan Metrics for the Committee. The Economic Development Plan metrics that Mr. Scott discussed are: *Estimated Number of Jobs in the City, Employer Job Ranges, Occupancy & Building Permits by Year, Change in Hotel Room Nights, First Time Businesses, Target Investment Area Developments, New Restaurants, Office Vacancy, Local Businesses Opened, City of Brookfield Demographic Information, Commute Times, EDC joint Initiatives, and Net New Construction and Increased Equalized Value.* The Committee thank Mr. Scott for all of his hard work in putting together a yearly breakdown of the Economic Development Plan Metrics.

Motion by Member Brian Schecterle, second by Member Brian Melter to approve the 2022 Economic Development Plan Yearly Metrics and to be placed on the City's Economic Development webpage. Motion carried 5-0 unanimously.

- d. Review and Action on Brookfield Development Loan Fund (BDLF) Policies and Procedures including outreach

Mr. Willis went over the updates to the Brookfield Development Loan Policies and Procedures for the Economic Development Committee. He explained that outreach efforts would prove to me more effective with interest rates rising, and the program being more competitive with the current market. The Committee discussed additional efforts to get the word out on program. The Brookfield Development Loan program is administered by MEDC and the Economic Development Coordinator, with all applications reviewed by the Economic Development Committee to determine participation and a recommendation to the Common Council for approval or rejection.

Motion by Member Brian Shecterle, second by Member Michelle Bougie to approve the Brookfield Development Loan Fund policies and Procedures. Motion carried 5-0 unanimously

- e. Resolution to approve a partnership with Milwaukee Economic Development Corp. (MEDC) with the City's BDLF program

Motion by Member Brian Shecterle, second by Member Michelle Bougie to approve a resolution for a partnership with Milwaukee Economic Development Corp. (MEDC) with the City's BDLF program. Motion carried 5-0 unanimously.

5. Adjournment

Motion by Member Brian Shecterle, second by Member Brian Melter to adjourn the meeting at 5:59 pm. Motion carried 5-0 unanimously.

Respectfully Submitted: April 28, 2022

Todd Willis

Community Development – Economic Development coordinator

Economic Development Committee

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Industrial

February 2022 – Industrial properties in the City saw no change in vacancy with no month-to-month loss of SF from the previous month. When comparing the vacant space from February 2021 to February 2022, the City has a positive net absorption of 122,968 SF. The City currently has a 1% vacancy rate in its industrial properties.

Office

February 2022 – February saw a trend of a net positive absorption of 8,423 SF in the City's office market. The bulk of space absorbed was an 15,849 SF user at the Irgen's Golf Parkway office building. A number of spaces located in Bishops Woods and on Executive Dr. have leases that currently expire at the end of 2022. Staff will continue to reach out to those tenants to see if their relocation efforts can be met within the City. When comparing the vacant space from January 2021 to February 2022, the City has a negative net absorption of 39,315 SF. Based on previously reported market predictions and a positive gain for the past two months, staff believes over the next 12 months the City's office market should continue to move closer to its historical pre-pandemic office vacancy rate (5 yr. avg. 14-16%). Currently the City office market has a 20% vacancy rate, and the City would need to absorb 289,538 SF or avg. 28,954 SF per month to reach average historical levels.

Regional and Peer City Comparison

Brookfield - 14.5% Vacancy Rate, 124K 12 Month Absorption, (135 K) Prior 12 Month Absorption, Avg. Rent \$19.58/SF, Avg. Cap Rate 8.6%

Wauwatosa – 11.7% Vacancy Rate, (123K) 12 Month Absorption, (24.6K) Prior 12 Month Absorption, Avg. Rent \$22.67/SF, Avg. Cap Rate 8.1%

Chesterfield, MO – 10.9% Vacancy Rate, (38.8K) 12 Month Absorption, (342K) Prior 12 Month Absorption, Avg. Rent \$24.47/SF, Avg. Cap Rate 8.6%

Edina, MN – 10.3% Vacancy Rate, 57.3K 12 Month Absorption, (226K) Prior 12 Month Absorption, Avg. Rent \$26.41/SF, Avg. Cap Rate 8.2%

Retail

February 2022 – February saw a significant jump in positive absorption for the City's retail market. The most significant positive absorption occurred with the lease of an experience based retail in the former Baby's R' Us site and reported lower vacancy at Brookfield Square Mall. Ross Dress for Less is moving from its Shopper's World location to the Fashion Center on Bluemound

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Road. When comparing the vacant space from January 2021 to February 2022, the City still has a negative net absorption of 42,791 SF. A majority of the vacant retail space (217,471 or 29%) is the former Boston store location. Irgen's is still developing a plan for the property but any redevelopment or leasing of the space would dramatically improve the overall vacancy rate in the City's retail market.

Regional and Peer City Comparison

Brookfield – 11.5% Vacancy Rate, (110K) 12 Month Absorption, (317K) prior 12 Month Absorption, Avg. Rent \$18/SF, Avg. Cap Rate 7.6%

Wauwatosa – 10.5% Vacancy Rate, (17.9K) 12 Month Absorption, (6.3K) prior 12 Month Absorption, Avg. Rent \$26.29/SF, Avg. Cap Rate 7.3%

Chesterfield, MO – 17.4% Vacancy Rate, 194K 12 Month Absorption, (113K) prior 12 Month Absorption, Avg. Rent \$21.32/SF, Avg. Cap Rate 8.0%

Greenwood, IN – 2.6% Vacancy Rate, 122K 12 Month Absorption, 88.6K prior 12 Month Absorption, Avg. Rent \$19.01/SF, Avg. Cap Rate 8.3%