



## MINUTES OF AN OFFICIAL MEETING:

**Regular Meeting:** *Economic Development Committee*

**Date and Time:** *Monday, June 5, 2023 at 5:00 pm*

**Location:** *Brookfield Conference Center, 325 S. Moorland Road.,  
Brookfield, WI 53005*

**Members Present:** *Alderman Bob Reddin, Mushir Hassan, Brian Melter*

**Members Excused:** *Brian Shecterle, Michelle Bougie*

**Others Present:** *Dan Ertl-Community Development Director, Emily Zandt-Associate  
Planner, Nancy Justman-President Visit Brookfield, Nicole Ryf, Executive  
Director Waukesha County Center for Growth*

### 1. Roll Call

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

### 2. Announcements

- a. Next regularly scheduled meeting is September 11, 2023 at 5:00 pm.

### 3. Minutes of the March 6, 2023 Economic Development Committee Meeting

***Motion by Member Brian Melter, second by Member Mushir Hassan to approve the minutes of the March 6, 2023 Economic Development Committee meeting. Motion Fails (2-0, Hassan abstained).***

*\*Minutes of the March 6, 2023 EDC meeting will be reconsidered for approval at the September 11, 2023 meeting.*

### 4. New Business

- a. Report of the Convention and Visitors Bureau – Nancy Justman, President and CEO

Ms. 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.* Ms. Justman highlighted the Visit Brookfield website update as well as strong first quarter numbers for the Conference Center and the impact of the pandemic on event planners as a group.

- b. Report from the Waukesha County Center for Growth – Nicole Ryf, Executive Director

Ms. Ryf stated that Waukesha County Center for Growth launched a new website which highlights the story of “Why Waukesha County” for prospective and existing businesses. A

formal Business Retention & Expansion program in January 2023. Technical assistance, property/project promotion and support, general marketing, and small business funding and counseling continue to take place as a part of the City of Brookfield's contract with the Waukesha County Center for Growth.

Ms. Ryf announced that she has accepted a new position and that she has been working diligently to build a strong transition plan for the Center until a new director is hired in her place.

- c. Report on Brookfield vacancy and absorption rates for industrial, office, and retail markets for Second Quarter 2023-EZ

Associate Planner Zandt went over the vacancy and absorption report for the office, retail, and industrial markets for the second quarter of 2023. (*Staff Report provided – see pages 3-4 for a summary.*) Ms. Zandt supplied the Economic Development Committee with neighboring and peer city community metrics related to each market.

- d. Recent inquiries grants and loans-verbal report – EZ.

Associate Planner Zandt gave an overview of recent inquiries related to city grants and loans including one related to interior improvements for a restaurant and another for façade improvements for a new grocery store at Ruby Isle. The committee agreed that grants for restaurants should include exterior renovations for greater impact. Associate Planner Zandt also commented that the façade grant program is limited to the Village Area and the Northeast Industrial Area and would not be available for businesses at Ruby Isle.

- e. Redevelopment activities-verbal report- DE

Community Development Director Dan Ertl stated that he believes the City of Brookfield is transitioning from new development to redevelopment projects. Director Ertl highlighted properties and areas of the city that may be prime for redevelopment in the near future. The committee agreed that mixed-use projects are likely to be common proposals for redevelopment sites moving forward. Discussions were had regarding transitioning the Economic Development Committee to taking a larger role in promoting development, redevelopment, and job creation in the future. Alderman Reddin commented that there would be a need to formally redefine the role/mission statement of the Economic Development Committee. The committee determined that holding a meeting in September to further discuss this issue would be the next step forward.

## 5. Adjournment

***Motion by Member Brian Melter, second by Member Mushir Hassan to adjourn the meeting at 6:10 pm. Motion carried 3-0 unanimously.***

Respectfully Submitted: June 19, 2023  
Emily Zandt – Associate Planner

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

### **Industrial**

**2023 Q2** – Industrial properties in the City of Brookfield saw little change in vacancy with a slight absorption of 3,161 square feet between Quarter 1 and 2 of 2023. Between Quarter 2 of 2022 and Quarter 2 of 2023, there has been an increase in industrial vacancy of approximately 33,750 square feet. The overall vacancy rate for industrial properties in the City of Brookfield remains below 2%, with just under 60,000 square feet of space available. The current vacancy rate is consistent with the 5-year historical average vacancy rate for industrial property in the City of Brookfield.

### **5-year Historical Averages of Regional and Peer City Comparison**

*Data from CoStar (5 yr. historical Avg. 2018-2023)*

	<b>Vacancy Rate</b>	<b>12-month net absorption (SF)</b>	<b>Market Rent/ SF</b>	<b>Market Cap Rate</b>
<b>Brookfield, WI</b>	1.66%	9,832	\$6.25	8.61%
<b>Wauwatosa, WI</b>	20.47%	(359,207)	\$5.44	8.09%
<b>Chesterfield, MO</b>	3.03%	22,157	\$9.92	7.48%
<b>Edina, MN</b>	1.46%	(18,904)	\$6.55	7.59%
<b>Greenwood, IN</b>	7.10%	1,090,138	\$5.52	6.68%

### **Office**

**2023 Q2** – There was an increase in office vacancy between Quarter 1 and 2 of 2023 in the City of Brookfield, with approximately 80,000 square feet of space becoming available. This net negative absorption rate in the City has continued since Quarter 3 of 2022, with approximately 293,000 square feet of office space being vacated. Overall, the City of Brookfield has a 24% office vacancy rate, up from 19% one year ago (Quarter 2 2022). The City of Brookfield’s office market would need to absorb nearly 640,000 SF or an average of over 100,000 SF per month for the rest of 2023 to meet its historical 5-year average.

### **5-year Historical Averages of Regional and Peer City Comparison**

*Data from CoStar (5 yr. historical Avg. 2018-2023)*

	<b>Vacancy Rate</b>	<b>12-month net absorption (SF)</b>	<b>Market Rent/ SF</b>	<b>Market Cap Rate</b>
<b>Brookfield, WI</b>	14.10%	(28,326)	\$19.46	8.70%
<b>Wauwatosa, WI</b>	8.93%	26,141	\$23.26	8.27%
<b>Chesterfield, MO</b>	9.16%	(95,058)	\$23.48	8.51%
<b>Edina, MN</b>	9.67%	(73,453)	\$25.97	8.26%
<b>Greenwood, IN</b>	5.66%	20,530	\$19.81	8.76%

## **Retail**

**2023 Q2** – The retail vacancy rate in the City of Brookfield as of Quarter 2 of 2023 is 9.4%. The City’s retail market absorbed approximately 130,000 square feet between Quarter 1 and Quarter 2 of 2023. This is a continuation of net positive absorption in the city’s retail market that has been experienced since the beginning of 2022.

### **5-year Historical Averages of Regional and Peer City Comparison**

*Data from CoStar (5 yr. historical Avg. 2018-2023)*

	<b>Vacancy Rate</b>	<b>12-month net absorption (SF)</b>	<b>Market Rent/ SF</b>	<b>Market Cap Rate</b>
<b>Brookfield, WI</b>	7.64%	(89,814)	\$17.71	7.49%
<b>Wauwatosa, WI</b>	9.20%	(24,753)	\$25.44	7.27%
<b>Chesterfield, MO</b>	17.02%	(235,484)	\$22.65	8.04%
<b>Edina, MN</b>	3.77%	(9,597)	\$25.55	6.70%
<b>Greenwood, IN</b>	3.30%	65,247	\$18.02	8.22%