



## MINUTES OF AN OFFICIAL MEETING:

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

**Date and Time:** *Monday, June 20, 2022 at 5:00 pm*

**Location:** *Brookfield Conference Center, 325 S Moorland Rd, Brookfield, WI 53005, Boardroom*

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

**Members Excused:** *Michelle Bougie*

**Others Present:** *Todd Willis-Economic Development Coordinator, Nancy Justman-President Visit Brookfield*

### 1. Roll Call

Alderman Reddin noted a quorum present and called the Economic Development Committee to order at 5:00 pm.

### 2. Announcements

- a. Next regularly scheduled meeting is July 11, 2022 at 5:00 pm.

### 3. Minutes of the May 2, 2022 Economic Development Committee Meeting

***Motion by Member Brian Shecterle, second by Member Brian Melter to approve the minutes of the May 2, 2022 Economic Development Committee meeting. Motion carried 4-0 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, Booking information from the City of Brookfield Hotels, Visit Brookfield and Brookfield Conference Center website engagement, and social media engagement.*

- b. Request for a Village Façade Improvement Grant – Olive Promotions, 2965 N Brookfield Rd, Brookfield, WI 53045

The Economic Development Committee reviewed and discussed the application submitted for a Façade Improvement Grant for Olive Promotions. The overall façade update includes landscaping and concrete work, with an estimated cost of \$21,298.44. Mr. Shecterle mentioned that this request for Façade Improvement Grant is for landscaping, and the application specifically states the grant can't be used for just landscaping. Mr. Willis mentioned that a

retaining wall as part of the landscaping work. Mr. Shecterle stated that the program says façade as the principal front of a building that looks on to a street or open space. Mr. Willis stated that is correct. Mr. Shecterle stated that because the project is landscaping and on the side of the building, the committee has grounds to deny the request. Mr. Shecterle explained the much improved properties that the EDC had approved Façade Improvement grants, but landscaping is tricky in that landscaping can die or be left unattended, so it's a short term item. He added that he did not think it met what the grant program was designed for. Mr. Melter stated that based on the drawings it looked like on 25% of the landscaping facing N. Brookfield Rd. and the rest of the landscaping was in between 2 buildings that nobody sees. Mr. Shecterle stated it is not easy to turn applicants down, but the goal is to help improve the betterment of the area. Alderman Reddin stated that arguably the request does not meet the criteria of the program. Dr. Hassan stated that every project that has been approved and discussed had significant elements including project scope work facing N. Brookfield Rd., and this project does not meet that.

***Motion by Member Brian Shecterle, second by Member Mushir Hassan to deny a Façade Improvement Grant of \$5,000 to Olive Promotions located at 2965 N. Brookfield Road. Motion Carried 4-0 Unanimously.***

- c. Report on Brookfield vacancy and absorption rates for industrial, office, and retail markets for April 2022

Mr. Willis went over the vacancy and absorption report for the office, retail, and industrial markets for May 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.

- 5. Report from the Economic Development Coordinator – Verbal & Handouts
  - a. Discussion on the updated Environmental Remediation TIF Law

Mr. Willis discussed the new rules outlining the certain type of TIF District rules when environmental remediation is required.

- b. CDA Economic Development Grant

Mr. Willis discussed a CDA Economic Development Grant for a new business locating in the City of Brookfield at the former Lakeshore Burial Vault building on Lisbon Rd. The grant was for life safety systems (fire protection) of the building based on the investment of the business bring the property up to current City code.

6. Adjournment

***Motion by Member Brian Shecterle, second by Member Brian Melter to adjourn the meeting at 5:55 pm. Motion carried 4-0 unanimously.***

Respectfully Submitted: August 1, 2022

Todd Willis

Community Development – Economic Development coordinator

## **Industrial**

**May 2022** – Industrial properties in the City saw an increased absorption with a month-to-month change of 16,588 SF from the previous month. When comparing the vacant space from May 2021 to May 2022, the City has a positive net absorption of 107,444 SF. The City currently has a .7% vacancy rate or about 25,000 SF of available space in the City’s built-out industrial properties.

## **Office**

**May 2022** – May continued a trend of a net positive absorption in the City’s office market with a gain of roughly 19,000 SF. The bulk of space absorbed was smaller spaces and lease renewals throughout office buildings in the City. When comparing the vacant space from May 2021 to May 2022, the City has continued the positive net absorption with around a 25,000 SF year over year gain. Currently the City office market has a 19% vacancy rate with a little over 1.2 million SF of space listed as available in the City. If the City maintains this positive trend, in November the City’s office market would be at the same level of available space it saw in January of 2021. To date, the City’s office market has a positive absorption of 80,462 SF or a monthly average absorption of 16,092 SF.

Regional and Peer City Comparison – See attached COSTAR Graphs (5 yr. historical Avg.)

**Brookfield** – 14.9% Vacancy Rate, 132K 12 Month Absorption, (93.8 K) Prior 12 Month Absorption, Avg. Rent \$19.90/SF, Avg. Cap Rate 8.6%

**Wauwatosa** – 12.7% Vacancy Rate, (95.4K) 12 Month Absorption, (52.3K) Prior 12 Month Absorption, Avg. Rent \$22.68/SF, Avg. Cap Rate 8.3%

**Chesterfield, MO** – 11.4% Vacancy Rate, (54.7K) 12 Month Absorption, (313K) Prior 12 Month Absorption, Avg. Rent \$24.57/SF, Avg. Cap Rate 8.1%

**Edina, MN** – 10.0% Vacancy Rate, (10.2K) 12 Month Absorption, (195K) Prior 12 Month Absorption, Avg. Rent \$26.69/SF, Avg. Cap Rate 8.1%

## **Retail**

**May 2022** – March saw minor increased absorption in the City’s retail market, with the City gaining roughly 5,000 SF. When comparing the vacant space from May 2021 to May 2022, the City has maintained positive absorption with around 34,000 SF year over year. Currently the City retail market has a 13% vacancy rate with a little over 725,000 SF of space listed as available in the City. Based on the current trend projections, the City would be back to the same level of vacancy from January 2021 by October with continued absorption averages seen through May 2022.

Regional and Peer City Comparison – See attached COSTAR Graphs (5 yr. historical Avg.)

**Brookfield** – 9.2% Vacancy Rate, (7.4K) 12 Month Absorption, (444K) prior 12 Month Absorption, Avg. Rent \$18.43/SF, Avg. Cap Rate 7.4%

**Wauwatosa** – 9.5% Vacancy Rate, 26.6K 12 Month Absorption, (13.1K) prior 12 Month Absorption, Avg. Rent \$27.05/SF, Avg. Cap Rate 7.3%

**Chesterfield, MO** – 17.2% Vacancy Rate, 171K 12 Month Absorption, 37.3K prior 12 Month Absorption, Avg. Rent \$21.94/SF, Avg. Cap Rate 8.1%

**Greenwood, IN** – 2.1% Vacancy Rate, 106K 12 Month Absorption, 187K prior 12 Month Absorption, Avg. Rent \$19.98/SF, Avg. Cap Rate 8.1%