



MINUTES OF AN OFFICIAL MEETING:

Regular Meeting: *Economic Development Committee*

Date and Time: *Monday, August 8, 2022 at 5:00 pm*

Location: *Brookfield City Hall, 2000 N. Calhoun Rd., Brookfield, WI 53005, Council Chambers*

Members Present: *Alderman Bob Reddin, Mushir Hassan, Michelle Bougie*

Members Excused: *Brian Melter, Brian Shecterle, Nancy Justman-President Visit Brookfield*

Others Present: *Todd Willis-Economic Development Coordinator, Bart Bohne-Olive Promotions*

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 Monday September 12, 2022 at 5:00 pm.

3. Minutes of the June 20, 2022 Economic Development Committee Meeting

Motion by Member Mushir Hassan, second by Member Michelle Bougie to approve the minutes of the June 20, 2022 Economic Development Committee meeting. Motion carried 3-0 unanimously.

4. New Business

- a. Report from the Convention and Visitors Bureau

No Report Given.

- b. Request to Reconsider a denial of a Village Façade Improvement Grant for Olive Promotions located at 2965 N Brookfield Rd, Brookfield, WI 53045 at the June 20, 2022 EDC meeting.

The Economic Development Committee reviewed and discussed the application previously submitted for a Façade Improvement Grant for Olive Promotions. Mr. Bohne explained to the Committee why he was doing the project, and why he felt it was worthy of consideration for a Façade Improvement Grant. The Committee stated that the program is for the principal front of a building that looks on to a street or open space and because the project is landscaping and on the side of the building, the project did not meet the standards of the program. Alderman Reddin stated that arguably the request does not meet the criteria of the program and if no motion was made on the item, the previous motion approved on the item would stand.

No new motion was taken on the request to consider and the previous motion from the June 20, 2022 meeting remained unchanged. (June 20, 2022 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 July 2022

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

- d. Resolution on Bishop Woods Workforce Housing Project

Mr. Willis discussed a project proposal that was going to be in front of the Plan Commission involved workforce housing. Mr. Willis explained the importance of a workforce housing project in the City of Brookfield related to current workforce challenges and affordability challenges in the City. The project consisted of apartments with 6 first floor work/live units that meet the requirements described in the Bishop Woods Neighborhood Plan. Mr. Willis stated that after discussion if the EDC felt support for the project, they should pass a Resolution to be forwarded to the Plan Commission as they took up the project at their meeting. After debating the topic with some members voicing support for such a project, the EDC decided it was too early in the projects approval process to have a Resolution on it. The EDC will take up the idea for the project at a later date if warranted.

No EDC Action Taken

- 5. Report from the Economic Development Coordinator – Verbal & Handouts
 - a. Discussion on future Municipal Code regulations pertaining to drive-thru operations, restaurants, and outdoor seating.

Mr. Willis discussed a Legislative referral that had been sent to the Plan Commission on drive-thru operations, with the issue being taken up at their next meeting. Mr. Willis explained that while the intent of the legislative referral was to limit drive-thru operations to specific areas of the City and the types of restaurants that can have drive-thru operations, the EDC should be aware of how it relates to business operations in the City of Brookfield. Most restaurants in the City of Brookfield and nationally fully understand the importance of drive-thru, pick-up, and delivery services following the pandemic. So any regulations on the items related to restaurants should be crafted carefully in order to not have any unintended consequences in the City.

6. Adjournment

Motion by Member Mushir Hassan, second by Member Michelle Bougie to adjourn the meeting at 6:04 pm. Motion carried 3-0 unanimously.

Respectfully Submitted: August 31, 2022

Todd Willis

Community Development – Economic Development coordinator

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

Industrial

July 2022 – Industrial properties in the City saw a slight dip in absorption with a month-to-month change of (31,728) SF from May 2022. When comparing the vacant space from July 2021 to July 2022, the City has a positive net absorption of 55,040 SF. The City currently has a 2% vacancy rate or about 57,000 SF of available space in the City's built-out industrial properties.

Office

July 2022 – July the first negative absorption (98,953) SF in the City's office market since January. The bulk of space vacated was Milliman officially moving into its new location at the Corridor office building in the City. This move produced positive gains previously recorded based on the increased footprint with the new location. So the actual loss of absorption is (6,506) SF for the month. When comparing the available space from July 2021 to July 2022, the City has continued the negative net absorption with around a (82,219) SF year over year gain. Currently the City office market has a 20% availability rate with a little over 1.3 million SF of space listed as available in the City. To date, the City's office market has a negative absorption of (18,491) SF or a monthly average absorption of (2,642) SF.

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

Brookfield – 16.9% Vacancy Rate, 126K 12 Month Absorption, (30.4K) Prior 12 Month Absorption, Avg. Rent \$19.91/SF, Avg. Cap Rate 8.5%

Wauwatosa – 10.4% Vacancy Rate, (16K) 12 Month Absorption, (53.5K) Prior 12 Month Absorption, Avg. Rent \$22.66/SF, Avg. Cap Rate 8.2%

Chesterfield, MO – 15.9% Vacancy Rate, (356K) 12 Month Absorption, (221K) Prior 12 Month Absorption, Avg. Rent \$24.29/SF, Avg. Cap Rate 8.1%

Edina, MN – 10.6% Vacancy Rate, (54.1K) 12 Month Absorption, (113K) Prior 12 Month Absorption, Avg. Rent \$26.85/SF, Avg. Cap Rate 8.0%

Retail

July 2022 – July saw absorption in the City’s retail market, with the City gaining roughly 16,000 SF. When comparing the vacant space from July 2021 to July 2022, the City has maintained positive absorption with around 42,000 SF year over year. Currently the City retail market has a 13% availability rate with a little over 712,000 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 December with continued absorption averages seen through July 2022. For the 2022 year, the City has had a positive absorption of 154,781 SF or an average of 22,112 SF per month.

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

Brookfield – 10% Vacancy Rate, 57.1K 12 Month Absorption, (404K) prior 12 Month Absorption, Avg. Rent \$18.63/SF, Avg. Cap Rate 7.2%

Wauwatosa – 3% Vacancy Rate, 257K 12 Month Absorption, (25.6K) prior 12 Month Absorption, Avg. Rent \$27.17/SF, Avg. Cap Rate 7.1%

Chesterfield, MO – 17.3% Vacancy Rate, 122K 12 Month Absorption, 85.4K prior 12 Month Absorption, Avg. Rent \$22.13/SF, Avg. Cap Rate 8.0%

Greenwood, IN – 2.1% Vacancy Rate, 85.1K 12 Month Absorption, 207K prior 12 Month Absorption, Avg. Rent \$19.88/SF, Avg. Cap Rate 8.0%