

<b>Approval</b>	<b>Council Action Sheet</b>	<b>MEETING DATE</b> 6/28/16
<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>Ballpark Commons Project Update and Independent Market Analysis Review</b>	<b>ITEM NUMBER</b> B.4.

**Background**

On March 1, 2016, the Common Council authorized staff to contract Melaniphy & Associates, a market research firm recommended by Ehler's & Associates, to conduct a market study of the Ballpark Commons development proposal. On April 4, 2016 the Common Council approved masterplan and zoning changes for the Ballpark Commons development proposal with conditions.

**Project Status Update:**

As of June 23, 2016, Planning Manager, Joel Dietl, reported that 10 of the 40 conditions put in place by the Council with their April 4<sup>th</sup> plan approvals have been met. Staff continues to meet and communicate with the development team to address questions and provide assistance in their efforts. Attached is a memo from Jeff Marek of the Ballpark Commons development team with a status update on the project.

**Market Analysis Review:**

The complete market analysis from Melaniphy & Associates is provided for review. Key recommendations are outlined on pages 23-24:

We recommend a master-planned mixed-use development featuring a mix of residential apartments, retail, convenience stores, sports bar, them and fast casual restaurants and entertainment facilities on the subject site. Following development of the Ballpark Commons Stadium the market for a select-service hotel may develop following the success of the stadium. We do not recommend speculative office space on the subject site. The new Ballpark Commons mixed-use development will improve the overall appearance and attraction of the area.

...

The Ballpark Commons project is an aggressive undertaking. Mixed-use developments of this nature have a much higher risk in terms of leasing, financing, construction and long term viability. The successful development and operation of the stadium, 4-season sports complex and development of the residential component is critical to the success of the project. The retail, restaurant and commercial space will be driven by the success of the stadium and 4-season sports complex. In our opinion, the Ballpark Commons project should be undertaken as a catalyst for residential, restaurant, recreational, and commercial development at this important intersection in Franklin. The mix of uses will create synergy and enhance absorption of all the other uses.

The report is generally supportive of the absorption of apartments and retail/restaurant space, though it suggests national theme and fast casual restaurants may require more outlot than in-line development as shown on the site plan. The report notes the importance of the stadium and 4-season indoor facility as "critical to the success of the project." The report recommends against building speculative office space. It should be noted that the site plan was revised after Melaniphy received the project description to significantly reduce the office components. The Melaniphy report suggests it may take a minimum of three to four years for a hotel to be viable on-site. Note that the market analysis contracted by the development team, suggested it may take two years for the hotel to be viable.

**COUNCIL ACTION REQUESTED**

Motion to receive and place on file the Ballpark Commons Project Update and Independent Market Analysis Review



6/22/2016

Update BPC:

Mr. Hertzberg, Please accept this summary of bullet points as an update on the Ball Park Commons Teams progress toward meeting the Conditions required, and Developing a successful project in Franklin.

County Access permit- We successfully acquired written permission to perform investigative research on Milwaukee Counties subjected and adjacent property.

Wetland delineation – We contracted with a Professional Service Consultant to determine and identify locations that could be considered wetlands on the entire project. This process provided us with mapping of the potential wetlands.

After the mapping and narrative report was received, we made a successful submittal to the DNR. Our DNR submittal requests Wetland Delineation Confirmation & Artificial Wetland Exemption determination. Confirmation of wetlands helps determine final site design.

Geotechnical Borings- We generated a Boring Plan for the initial Geotechnical investigation. We received approvals for plan from Milwaukee County and the DNR for the plan. The plan has been executed, along with a post Bore meeting with Milwaukee County and the DNR. Geotechnical reports are currently being put together. This report helps identify building and foundation types necessary for the project.

Topographic survey- Crews have walked and shot the entire proposed development. Information on the land contours has been recorded and mapped.

Boundary Survey- Crews surveyed, identified and marked the boundaries for the entire proposed development.

Waste Delineation- We have developed a plan and process to determine the location of landfill waste with respect to the buildings, roads and features projected. This plan has been approved by the DNR and is pending Milwaukee County approval. This plan should be executed with in the next three weeks.

County Meetings- We have had numerous meetings with Milwaukee County with respect to many pertinent subjects. Some listed below,

- Overall concept, improving the Lifestyle of the surrounding area.
- Waste relocation, possibly a necessary step to improve the constructability buildings, roads and Features.
- Vacation of Crystal Ridge, Milwaukee County has started the process of vacating their Crystal Ridge road lease, which will allow that parcel to be incorporated into the development.
- Methane collection system, working jointly with Milwaukee County environmental teams to design and improve the methane collection system for the former landfill areas.

Traffic Impact and WIDOT- After the review of comments from the DOT response to the City of Franklins original submittal, meetings with City staff, developer and engineers have been conducted to amend a future request. The amended plan will be discussed at a meeting with DOT early next week.

Stadium Design- Design consultants, Baseball experts, Marketing consultants and Landscape professionals have been working on the Stadium.



Continued Master Site Planning – The Site plan continues to have minor tweaks and improvements incorporated into it.

Interviewing and Qualifying Design Consultants- We have been interviewing and qualifying many of the Design professionals that will be required for this large project.

Neighbor Meetings- Continued meetings and discussions with the surrounding neighbors to design the project.

Tenant search- Real estate & marketing teams have been reaching out to potential tenants for the restaurant and retail areas of the project.

Respectfully Submitted,

Jeff Marek

**MARKET STUDY REVIEW  
BALLPARK COMMONS  
LOOMIS ROAD AND RAWSON AVENUE  
FRANKLIN, WISCONSIN**

**Prepared For:**

**CITY OF FRANKLIN  
FRANKLIN, WISCONSIN  
JUNE, 2016**





REAL ESTATE COUNSELORS  
SITE SELECTION SPECIALISTS

ECONOMISTS  
CONSULTANTS

MARKET ANALYSTS  
INVESTMENT ADVISORS

John C. Melaniphy, President

E-Mail: [jmelaniphy@melaniphy.com](mailto:jmelaniphy@melaniphy.com)

June 8, 2016

Mr. Aaron Hertzberg  
Director of Economic Development  
City of Franklin  
9229 W. Loomis Road  
Franklin, Wisconsin 53132

**In re: Market Feasibility Study  
Ballpark Commons  
Sports-Anchored Mixed-Use Development  
Franklin, Wisconsin**

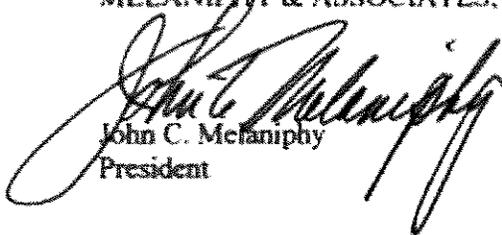
Dear Mr. Hertzberg:

We have completed our Market Feasibility Study and the review of the Moegenburg Report to determine the level of market support available for the Ballpark Commons Project. We believe the information provided in this report will allow the City of Franklin to direct the mix of land uses and the guide the overall success of this proposed mixed-use development.

We sincerely appreciate the opportunity to assist the City of Franklin in the orderly development of the Ballpark Commons project.

Respectfully submitted,

MELANIPHY & ASSOCIATES, INC

  
John C. Melaniphy  
President

***MELANIPHY & ASSOCIATES, INC.***

6348 North Milwaukee Avenue, #198, Chicago, Illinois 60646

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## SECTION I

### ASSIGNMENT

Our assignment has been to undertake a review of the *Market Study* prepared by Moegenburg Research, Inc. to determine the market feasibility for the proposed Ballpark Commons mixed-use development located at Loomis Road and Rawson Avenue in Franklin, Wisconsin. This included a determination of the market feasibility for a baseball stadium, retail, restaurants, entertainment, office, hotel, and recreational uses. Our review examined the data provided in the Moegenburg report which articulated the types of uses the market will successfully support, the types of retailers, restaurants, and entertainment venues best suited for the property, hotel demand, office demand and the types of stores that can be supported; specific retailers for which there is a market, square footages; parking requirements, placement, timing, and overall land needs. *Figure 1.A* presents the Milwaukee Metropolitan Area Map.

The Ballpark Commons property is a proposed \$120 million development proposed on land at and around an existing sports complex called The Rock with 5 outdoor baseball fields, BMX bike courses, an umbrella bar in the summer and a ski/snowboard and tubing hill in the winter. The site currently generates approximately 150,000 trips per year. The complex is located on Milwaukee County Park land and formerly served as a landfill. The stadium and indoor sports complex would be located on that land and all other development would be on privately owned property. The developer plans a 4,000 spectator (2,500 hard seats) baseball stadium to serve an independent minor league team (In the American Association of Independent Professional Baseball) and the UW-Milwaukee (a DI- college program). Additionally, a 4-season tournament sports complex would be built with four little league sized baseball fields that could also be used for other indoor sports including soccer and lacrosse 265,000 square feet. Retail and restaurant are suggested to be included in the entry of the complex. To the east of the stadium between Rawson Avenue and 76<sup>th</sup> Street there is a suggestion for 1 or 2 hotels accommodating up to 220 rooms as well as the possibility of additional restaurant and retail out lots. The development envisions 36,800 square feet of restaurants (4) and 27,500 square feet of commercial.

To the south of the sports complex along Rawson Avenue would be a 120,000 office development and mixed-use buildings with approximately 47,000 square feet of ground floor retail space with office space or apartments above. Further south, would be 200 to 300 garden style, luxury apartments spread across 3, 3-story buildings and a 6,600 square foot club house.

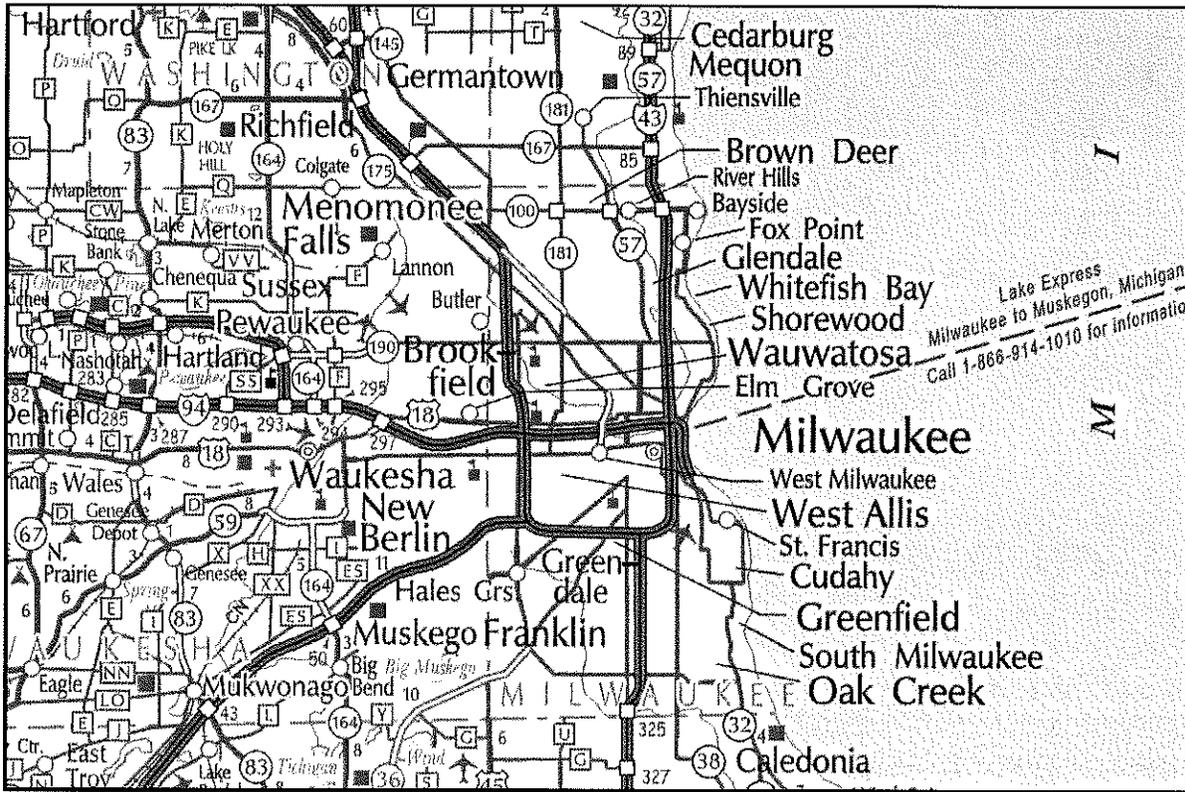
### OBJECTIVES

The specific objectives of the project are as follows:

- A. A determination of the market feasibility for a baseball stadium, retail, restaurants, entertainment, office, hotel, recreational, and any other uses that might be identified.

Figure 1.A

AREA MAP



- B. A thorough understanding of the physical characteristics of the site, access, circulation, visibility, interrelationship with the new stadium, perceptions, competition, and the impact of the surrounding uses.
- C. A thorough evaluation of the present and future economic conditions of the Milwaukee area; demographic changes: retail, restaurant, recreational, entertainment, hotel, and apartment developmental trends: entertainment patterns: changing markets: major and minor commercial developments: shifting office patterns, hotel utilization, apartment occupancy trends, corporate relocations, recreational demands, and other pertinent factors.
- D. A review of current leasing, sales experience, occupancy levels, vacancy, rental rates, real estate sales comparables, building sizes, site sizes, development standards and profiles of buyers and tenants.
- E. A determination of the market for the development of a major mixed use project on the Subject Site, including site configurations, building sizes, rental rates, absorption, appropriate users, phasing of the development, and the interrelationship between various uses to one another and the impact upon absorption.
- F. The review of comparable situations (i.e. stadiums in proximity to mixed use developments or individual types of uses). If possible, data will be obtained regarding compatibility and possible conflicts, if they exist.
- G. The amount of land that should be allocated to each type of use recommended, and the general placement of the uses to maximize potential and the interrelationship between various uses
- H. An examination of the need for governmental financial assistance. (Ehlers will conduct a TIF analysis of the project.)
- I. The preparation of a market feasibility study and mixed-use development strategy that maximizes the development opportunities of the property in keeping with the market potential, strength and weaknesses of competitors, and the attractiveness of the subject property.

### **ASSUMPTIONS**

The project was carried out under the following assumptions:

1. No major shopping centers, office buildings, hotels, apartment projects other than those identified in this report will be constructed within the market area. Any such development would require a reassessment of the conclusions and recommendations contained herein.
2. The economy of the United States will not experience another major recession or any significant adjustment in consumer spending objectives or attitude.
3. The United States will not expand the war on terrorism or escalate military operations overseas. Furthermore, the United States will not experience any major catastrophe or terrorist act that would interrupt shopping, driving, mail delivery, or spending patterns.

4.     A considerable amount of data has been gathered, sorted, and analyzed. We have also examined all of the data in the report prepared by Moegenburg Research, Inc.. Much of the data has come from agencies of federal state, county, and the City of Milwaukee. Additionally, secondary sources have been utilized, where pertinent. Where possible, our staff has examined the information for its validity and authenticity. Since we have no way of controlling the development of these data sources, we take no responsibility for any inaccuracy. We have instituted standard statistical techniques involving both subjective and objective judgements in order to substantiate the validity of as much of the data as possible.
  
5.     We certify that we have no present or prospective interest in the Ballpark Commons property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent upon any action or event resulting from this analysis, opinions, or conclusions, in or use of this report.

**SECTION II**

**EXECUTIVE SUMMARY**

Our assignment has been to undertake a *Market Feasibility Study* for the proposed Ballpark Commons mixed-use development located at Loomis Road and Rawson Avenue in Franklin, Wisconsin. This included a determination of the market feasibility for a baseball stadium, retail, restaurants, entertainment, office, hotel, and recreational uses. Our review examined the data provided in the Moegenburg report which articulated the types of uses the market will successfully support, the types of retailers, restaurants, and entertainment venues best suited for the property, hotel demand, office demand and the types of stores that can be supported; specific retailers for which there is a market, square footages; parking requirements, placement, timing, and overall land needs. The analysis has considered the market for a number of uses including retail, office, hotel, apartment, entertainment, and recreational.

**GENERAL FINDINGS**

**The State of Wisconsin**

Wisconsin is a manufacturing and agriculture based economy with low unemployment and strong population growth. Wisconsin is the 23<sup>rd</sup> largest state by area and the 20th most populous state. The state capital is Madison and its largest city is Milwaukee which is located on the western shore of Lake Michigan. The state is divided into 72 counties. The state had a population of 5,771,337 on July 1, 2015, a 1.48% increase since the 2010 census.

According to 2000 U. S. Census, Wisconsin's population increased by 9.6 percent to 5,363,675 persons representing an increase of 471,906 persons between 1990 and 2000. The four primary growth areas in the state from a geographic perspective include the Fox Valley, areas along the Wisconsin River, Dane County, and Southeastern Wisconsin. The county with the fastest rate of population growth was Washington County (part of the Milwaukee Metropolitan Area). The major cities in the State in descending order of population are Milwaukee, Madison, Green Bay, Kenosha, Racine, Appleton, and West Allis. Some of the cities with the largest numeric increases in population between 1990 and 2000 included Madison, Oshkosh, Oak Creek, Janesville, Kenosha, Green Bay, Waukesha, Franklin, Eau Claire, and New Berlin.

The state has a strong economy with a superb quality of life. Until the recent economic slowdown, the State had experienced fairly steady increases in employment, retail sales, industrial production, construction spending, and many other leading economic indicators. The State was ranked 10<sup>th</sup> in the nation in terms of manufacturing employment with over 600,000 jobs in 1998. The State also leads the nation in the production of small horse-powered gasoline engines, power cranes, shovel hoists, mining machinery, and other types of industrial equipment. Milwaukee emerged as the major center for the production of nonelectrical machinery.

**Milwaukee Metropolitan Area Population**

The Milwaukee Metropolitan Statistical Area (MSA) includes the following counties: Milwaukee, Ozaukee, Washington, and Waukesha. The 2010 Census data indicated the Milwaukee MSA population increased by 4.8 percent between 2000 and 2010 to 1,500,741 persons. Washington County experienced the most significant population growth at 12.2 percent rising to 131,887 persons. Waukesha County followed with an increase of 8.1 percent between 2000 and 2010. Waukesha County's population increased from 360,767 persons in 2000 to 389,891 persons in 1990. Milwaukee County's population increased by 0.8 percent from 940,164 persons in 2000 to 947,735 persons in 2010.

The 2000 Census data indicated the Milwaukee MSA population increased by 4.8 percent between 1990 and 2000 to 1,500,741 persons. Washington County experienced the most significant population growth at 23.3 percent rising to 117,493 persons. Waukesha County followed with an increase of 18.4 percent between 1990 and 2000. Waukesha County's population increased to 360,767 persons in 2000 from 304,715 persons in 1990. Milwaukee County's population declined by 2.0 percent to 940,164 persons in 2000. In 2010,

**City of Milwaukee's Population**

**The City of Milwaukee** is the largest city in the State of Wisconsin and the fifth-largest city in the Midwestern United States. The county seat of Milwaukee County, it is located on the western shore of Lake Michigan. According to the 2010 census, Milwaukee has a population of 594,833. Milwaukee is the main cultural and economic center of the Milwaukee–Racine–Waukesha Metropolitan Area with a population of 2,043,904 as of an official 2014 estimate.

According to the United States Department of Commerce, Bureau of the Census, the official 2000 population for the city of Milwaukee amounted to 596,974 persons. Thus, the city of Milwaukee witnessed a population decline of 31,114 persons or a 5.0 percent decrease since 1990. Milwaukee's 1990 population was 628,088 persons.

The growth in the Milwaukee Metropolitan Area is primarily in the counties of Washington, Waukesha, and Ozaukee. The four-county metro area witnessed a population increase of 5.0 percent between the 1990 and 2000 Census. Waukesha County added 56,052 persons between 1990 and 2000 representing an increase of 18.4 percent. Washington County added 22,165 persons over the same period representing a growth rate of 23.3 percent. Ozaukee County's population increased by 9,486 persons, an increase of 13.0 percent since 1990.

### **Milwaukee's Retail Sales Exceed \$20 Billion**

In 2012, the **Economic Census of Retail Trade**, indicated the Milwaukee Metropolitan Area generated 2012 total retail sales of over \$20.0 billion. *General Merchandise* sales in Milwaukee amounted to \$2.8 billion in 2012, while *Home Improvement* recorded sales of \$1.3 billion. *Furniture and Home Furnishings* stores in the Milwaukee Metropolitan Area generated sales of \$448 million in 2012. *Appliance & Electronics* stores recorded sales of \$572.9 million. *Food and beverage stores* recorded sales of \$3.4 billion. *Apparel & Accessory* stores recorded sales of approximately \$815.4 million. Restaurant sales are recorded in the Economic Census of Accommodation and Foodservice. Restaurant sales in the Milwaukee MSA in 2012 amounted to \$2.0 billion.

The Milwaukee Metropolitan Area's retail sales amounted to over \$20 billion in 2012 (Latest official retail sales figures available). The retail sales figures amounted to \$15 billion in 2000, an increase from the 1997 Census of Business, Retail Trade sales figure of \$14.3 billion. Retail sales growth has primarily occurred in the suburbs with marginal increases in the city of Milwaukee. Retail sales in the city of Milwaukee amounted to \$3,894,914 in 2012.

### **City of Franklin Retail Sales**

The City of Franklin generated 2012 total retail sales of over \$614.6 million. *General Merchandise* sales in Franklin were not disclosed. *Home Improvement* recorded sales of \$83.8 million. *Furniture and Home Furnishings* stores in Franklin generated sales of \$9.6 million in 2012. *Appliance & Electronics* stores recorded sales of \$1.1 million. *Food and beverage stores* were not disclosed. *Apparel & Accessory* stores were also not disclosed. Restaurant sales are recorded in the Economic Census of Accommodation and Foodservice. Restaurant sales in the Franklin in 2012 amounted to \$27.4 million.

The Milwaukee Metropolitan Area contains over 40,000,000 square feet of retail space. There are six major malls and 46 community shopping centers. The current occupancy rate in the regional shopping centers stands at less than 90.0 percent, while the occupancy rate for community centers is estimated at 91 percent.

The Franklin retail market currently contains 868,759 square feet of retail space in 12 buildings with 222,770 square feet available representing a vacancy rate of 25.6 percent. Rental rates range from \$7 to \$25 triple net.

Milwaukee currently has five primary department stores - the Boston Store (six stores), Macy's (two stores), Nordstrom (one store) Sears (three stores), and JC Penney (three stores). Younkers closed its Milwaukee stores in 1999. Elder Beerman operates a small store in nearby West Bend, Wisconsin, and Von Maur will anchor The Corners project in the Town of Brookfield.

**Milwaukee’s Hotel Activity**

The Milwaukee Metropolitan Area currently contains approximately 100 hotels encompassing approximately 15,053 rooms. The hotel room supply in the Metropolitan Area has increased by over 50 percent in the last five years. Based upon 15,053 rooms there are approximately 5,494,345 available room nights. Furthermore, based upon an overall annual occupancy rate of 64.6 percent, there are 3,549,347 occupied room nights and 1,944,998 unoccupied room nights. During the Winter months, hotel occupancy rates in the metropolitan area decline sharply. According to Smith Travel Research, occupancy rates in the Milwaukee County hotels amounted to approximately 64.6 percent in 2015 and 65.9 percent in Downtown Milwaukee. According to Visit Milwaukee, the distribution of hotel rooms in the Milwaukee Metropolitan Area is presented on the following page in **Table 2.1**.

**Table 2.1**

**Milwaukee MSA Hotel Room Distribution  
2016**

<b>Area</b>	<b># of Rooms</b>	<b>% of Total</b>
Downtown	4,738	31.5%
Oak Creek	985	6.5%
Airport/South Hotels	2,399	15.9%
West Hotels	1,171	7.8%
Brown Deer Hotels	434	2.9%
Northwest Hotels	1,187	7.9%
Northeast Hotels	830	5.5%
Brookfield Hotels	2,032	13.5%
Waukesha Hotels	1,287	8.5%
<b>Greater Milwaukee MSA</b>	<b>15,053</b>	<b>100.0%</b>

*Source: Visit Milwaukee Convention & Visitors Bureau*

The table indicates the significant concentration of hotels in Downtown with over 31.0 percent of the hotels in the Metropolitan Area.

Not surprisingly, the next largest concentration of hotels is located in proximity to the General Mitchell International Airport/south hotels with nearly 16 percent of the hotel inventory. Oak Creek contains 6.5 percent of the hotels. Therefore, Oak Creek plus the Airport/South Hotels market segments contain 3,384 rooms

**Milwaukee's Office Market**

The Milwaukee Metropolitan Area currently has an office inventory of approximately 553 buildings containing 32.4 million square feet of rentable office space according to NAI MLG Commercial. Downtown Milwaukee accounts for approximately 42.5 percent this total inventory with approximately 13.8 million square feet. The Milwaukee and suburban submarkets, excluding downtown, currently contain an inventory of approximately 18.6 million rentable square feet. Overall office vacancy stands at 22.3 percent.

The overall office occupancy rate in the Milwaukee Metropolitan Area stands at approximately 77.7 percent. There is approximately 7.2 million square feet of available space resulting in a vacancy rate of 22.3 percent. Not surprisingly, Class A space has a higher occupancy rate in the Central Business District with a rate of 87.6 percent. Class A office space in the Brookfield submarket had an overall occupancy rate of approximately 81.8 percent.

Prior to the recession, average annual absorption of office space in the Milwaukee Metropolitan Area typically ranged from a high of 700,000 square feet to a low of approximately 500,000 square feet. The Central Business District was absorbing approximately 400,000 square feet of office space annually while the West Suburban Sector was absorbing approximately 300,000 to 400,000 square feet annually. In 2015, the Milwaukee Metro Office Market absorbed 107,111 square feet.

The Airport Submarket including Franklin, encompasses 28 buildings containing a total of 736,441 square feet. The Airport Office Submarket had a vacancy rate of 35% in the First Quarter of 2016 percent representing 257,728 square feet of vacant space. The Airport submarket had net absorption of 5,601 square feet and year to date absorption of negative 10,568 square feet. Table 2.1 presents the office market statistics by submarket for the Milwaukee Metropolitan Area.

Table 2.2

Office Market Statistics by Submarket

Submarket	Building County	Total Rentable Building Area	Available Space Square Feet	Available Rate %	Net Absorption Square Feet	YTD Absorption Square Feet
<b>Downtown East</b>						
Class A	7	3,471,127	431,861	12.44%	162,405	162,405
Class B & C	45	4,313,165	961,839	22.30%	4,043	4,043
Total	52	7,784,292	1,393,700	17.90%	166,448	166,448
<b>Downtown West</b>						
Class B & C	28	3,923,448	903,872	23.04%	(24,503)	(24,503)
Total	28	3,923,448	903,872	23.04%	(24,503)	(24,503)
<b>3rd &amp; 5th Ward</b>						
Class B & C	37	2,118,513	442,107	20.87%	12,296	12,296
Total	37	2,118,513	442,107	20.87%	12,296	12,296
<b>Brookfield</b>						
Class A	4	317,225	57,806	18.22%	(451)	(451)
Class B & C	123	5,134,899	1,247,947	24.30%	(44,741)	(44,741)
Total	127	5,452,124	1,305,753	23.95%	(45,192)	(45,192)
<b>Wauwatosa</b>						
Class A	7	906,588	176,875	19.51%	8,786	8,786
Class B & C	56	2,217,096	721,757	32.55%	1,472	1,472
Total	63	3,123,684	898,632	28.77%	10,258	10,258
<b>North Shore</b>						
Class B & C	84	2,682,053	788,116	29.38%	30,571	30,571
Total	84	2,682,053	788,116	29.38%	30,571	30,571
<b>West Allis</b>						
Class B & C	34	2,209,960	245,879	11.13%	(21,519)	(21,519)
Total	34	2,209,960	245,879	11.13%	(21,519)	(21,519)
<b>Pewaukee</b>						
Class A	4	379,081	51,085	13.48%	8,391	8,391
Class B & C	42	1,557,608	341,447	21.92%	(8,559)	(8,559)
Total	46	1,936,689	392,532	20.27%	(168)	(168)
<b>Park Place</b>						
Class B & C	26	1,847,693	536,416	29.03%	2,696	2,696
Total	26	1,847,693	536,416	29.03%	2,696	2,696
<b>Airport</b>						
Class B & C	28	736,441	257,728	35.00%	(10,568)	(10,568)
Total	28	736,441	257,728	35.00%	(10,568)	(10,568)
<b>Oconomowoc/Lake Country</b>						
Class B & C	28	658,518	93,222	14.16%	441	441
Total	28	658,518	93,222	14.16%	441	441
<b>Grand Total</b>	<b>553</b>	<b>32,473,415</b>	<b>7,257,957</b>	<b>22.35%</b>	<b>120,760</b>	<b>120,760</b>

Source: NAI MLG Commercial – First Quarter 2016 Metro Milwaukee Office Market Review

**1. Downtown Milwaukee**

The overall office market is an outgrowth of the central downtown office core. The downtown office market is divided into three major submarkets the office market east of the river (Downtown East), the office market west of the river (Downtown West), and the Third Ward/Fifth Ward. Each is discussed on the following page.

**a. Downtown/East (East of the River)**

The Downtown East submarket contains the greatest amount of total office square footage at approximately 7.7 million square feet. Downtown West contains nearly 4.0 million square feet and the Third Ward/Walker's Point contains 2.1 million square feet. Overall, the downtown market contains over 13.7 million square feet. The vacancy rate is approximately 13 percent. Although the overall occupancy rate is approximately 87 percent, Class A buildings in the downtown submarkets have an occupancy rate of 88 percent. Rental rates in the Downtown East submarket range from \$14 to \$28 per square foot gross.

The two downtown office submarkets vary significantly in their occupancy rates. Within the Downtown East submarket, the overall occupancy rate stood at approximately 87 percent while the Downtown West submarket recorded an occupancy rate of only 77 percent. Historically, the occupancy rate has been substantially higher in the East of the River submarket because it is the financial district of Downtown Milwaukee. The Downtown West submarket has lacked the prestige associated with the Downtown East submarket and as a result has lower occupancy rates and rental rates.

**b. Downtown West (West of the River)**

The Downtown West office submarket consists of Class B and C buildings encompassing a total of approximately 4.0 million square feet. The vacancy rate in the Downtown West submarket stands at approximately 23 percent.

**c. Third Ward/Walker's Point**

The Third Ward/Walker's Point office submarket contains approximately 2.1 million square feet of office space comprised mostly with Class B and C buildings. There is approximately 442,107 square feet of vacant office space in this submarket resulting in a vacancy rate of 20 percent. Rental rates in this submarket range from \$8 to \$16 per square foot gross.

**2. North Shore**

The North Shore Market office submarket includes the communities of Bayside, Brown Deer, Fox Point, Glendale, Lower East Side, Menomonee Falls, Mequon, Park Place, and Shorewood. The North Shore office submarket contains approximately 2.6 million square feet. The North Shore

Market segment has over 788,000 square feet of vacant space resulting in a vacancy rate of over 209 percent. Rental rates in the northeast section range from \$10 to \$20 per square foot gross.

**3. Airport**

The Airport office submarket is comprised of the Airport Area, Franklin, Hales Corners, Oak Creek, and Southridge. The Airport office submarket contains 736,441 square feet. The Airport office segment contains approximately 258,000 square feet of vacant office space. The vacancy rate is approximately 35 percent. Rental rates in the southeast segment of this submarket range from \$12 to \$17.50 gross.

**4. Brookfield**

The Brookfield office submarket is the largest office concentration outside of the Central Business District in the Milwaukee Metropolitan Area with over 5.4 million square feet of rentable office space. The occupancy rate in Brookfield is approximately 76 percent with over 1.3 million square feet of vacant space. Thus, the vacancy rate is nearly 24 percent. The Class A space in Brookfield has a lower vacancy rate at 18.2 percent. Rental rates in Brookfield range from \$14 to \$22 per square foot gross.

**5. Wauwatosa**

The Wauwatosa office submarket contains over 3.1 million square feet including approximately 695,000 square feet of single tenant office space. There is nearly 898,000 square feet of vacant space with a vacancy rate of over 28 percent. Rental rates range from \$12 to \$24 per square foot gross.

**Metropolitan Milwaukee Overall Office Market**

The Milwaukee Metropolitan Area office market is generally weak following the recession and corporate restructuring. The overall office occupancy rate in the Milwaukee Metropolitan Area stands at approximately 77 percent. There is approximately 7.2 million square feet of available space resulting in a vacancy rate of 22.3 percent. Not surprisingly, Class A space has a higher occupancy rate in the Central Business District with a rate of 87 percent. Class A office space in the Brookfield submarket had an overall occupancy rate of approximately 86 percent. The strong overbuilding in the late 1980's and early 1990's flooded the market with new office space and then the recession precluded any new office development for some time.

The disparity between lease rates for the Central Business District and the suburbs has narrowed to nearly equal rates. Thus, other tenant options besides price have become more of a factor in recent years. Class A lease rates range from \$18 to \$28 per square foot gross in Downtown Milwaukee and \$18 to \$22 per square foot gross in the suburbs. The slowing manufacturing sector

and declining economic indicators depressed occupancy rates significantly during the recession but have improved. However, the lack of demand and more stringent pre-leasing requirements from the lenders have reduced the amount of overbuilding.

Average annual absorption of office space in the Milwaukee Metropolitan Area prior to the recession typically ranged from a high of 700,000 square feet to a low of approximately 500,000 square feet. The Central Business District was absorbing approximately 400,000 square feet of office space annually while the West Suburban Sector was absorbing approximately 300,000 to 400,000 square feet annually. In 2015, the Milwaukee Metropolitan Area absorbed a total of 107,111 square feet. There was negative absorption in many of the office submarkets in 2015.

The Milwaukee Metropolitan Area office market continues to push westward. Only a few years ago, Brookfield was considered the western boundary of the Milwaukee office market. However, in recent years Brookfield has lost some of their office tenants to newer buildings located further west along Interstate 94 in Waukesha, Pewaukee, and Oconomowoc, among others.

The largest single concentration of office space in the Milwaukee Metropolitan Area is located in Downtown Milwaukee. However, the West Suburban Area continues to grow their office supply. We have reviewed the historical development of office space in the Milwaukee Metropolitan Area. The data indicates that in the 1970's the major office development activity occurred in 1973 when in excess of 1.4 million square feet of office space was constructed in Downtown/East Sector of Milwaukee. It should be pointed out that the country went through a real estate recession in 1974 and 1975. As a result, no new office space was developed until the latter 1970's, and only a small amount of office space was developed until 1982. The real expansion in the office markets, however, occurred between 1983 and 1985. In 1983, approximately 550,000 square feet of office space was developed, while in 1984, the total exceeded 600,000 square feet. In 1985, approximately 800,000 square feet of office space was developed. Thus, in three years, almost 2,000,000 square feet were added to the Milwaukee market.

In 1986, the amount of new office space dropped to approximately 200,000 square feet and increased slightly in 1987 to 300,000 square feet. Nevertheless, during the 1986 to 1988 period, the space developed during 1983 to 1985 was essentially absorbed. By 1989, new office space exceeded approximately 800,000 square feet.

In 1990, approximately 495,000 square feet of space was constructed in the metro area much of the space in the West Suburban Area. In 1991, 200,000 square feet was developed. In 1992, approximately 470,000 square feet of office space was constructed, while 50,000 square feet was developed in 1993. Another 180,000 square feet of office space was constructed in 1994. The later part of the 1990's witnessed significant office development with the roaring economy. In 1999, over 1.0 million square feet of office space was constructed. By the end of 2000, approximately 1.9 million square feet of office space was in various stages of development. In 2001, approximately 1.0 million square feet of new office space was developed. In 2002,

approximately 800,000 square feet of new space was developed. The directional growth pattern of office development has been predominantly west along the Interstate 94 corridor. There was virtually no new office space developed from 2009 through 2015.

## **CONCLUSIONS**

### **The Moegenburg Report**

We have reviewed the Moegenburg Report and support the underlying conclusions presented in the report. The Proposed Ballpark Commons project upon completion of the stadium will support ancillary commercial development. The underlying apartment market conditions were thoroughly evaluated in the report and the conclusions are supportable. We strongly agree with the conclusions in the Moegenburg Report regarding the limited feasibility of office and hotel uses without completion of the stadium and 4-season sports complex. The Revenue Per Available Room (Revpar) would have to increase to levels being captured by the airport area hotels. We do not agree this will occur within the next two years. Speculative office development is not feasible.

### **The Subject Site**

The Subject Site is located at Loomis Road (State Highway 36) and Rawson Avenue (County Highway BB) with excellent regional accessibility. Interstate 94 is located approximately 15 minutes to the east with a full interchange at Rawson Avenue.

### **Trade Area**

The Trade Area has been delineated on the basis of distance, driving times, accessibility, the road network, customer attraction and trade area, existing and proposed competition, employment distribution, physical and psychological barriers, shopping habits and patterns, dining-out patterns, as well as our experience in evaluating shopping centers and other commercial developments throughout North America and abroad.

The Trade Area for the Ballpark Commons Site is depicted in *Figure 2.A*. The defined Trade Area is heavily influenced by the major retail concentrations in proximity to Southridge Mall in Greendale. Southridge Mall is the largest enclosed mall in the state of Wisconsin.

By definition, Trade Areas account for approximately 80 to 85 percent of the anticipated customers. Because of visitors, businesspersons, people passing through the area, and others it is difficult and costly to identify the last 15 to 20 percent. Distances traveled and visitor infrequency makes it uneconomic to attempt to define the last 15 percent, as well as prepare demographics for it. The Trade Area, as defined, represents the geographic area from which the vast majority of sales will be derived. Obviously, there would be many visitors to Ballpark Commons. All of

these visitors represents potential customers to the retail, restaurant, entertainment facilities and a potential hotel at Ballpark Commons.

In determining the Trade Area, we have examined distances, driving times, and retailer concentration attraction. The Trade Area is influenced by the existence of major competitive concentrations which proscribe the trading area. The major competitive retail concentrations which directly and indirectly affect the geographic size of the Trade Area include Southridge Mall, Brookfield Square, Grand Avenue Mall, Bay and Shore Town Center.

In addition, there are numerous big box concentrations which proscribe the Trade Area including shopping centers in Greendale, Oak Creek, South Milwaukee, and New Berlin, among others.

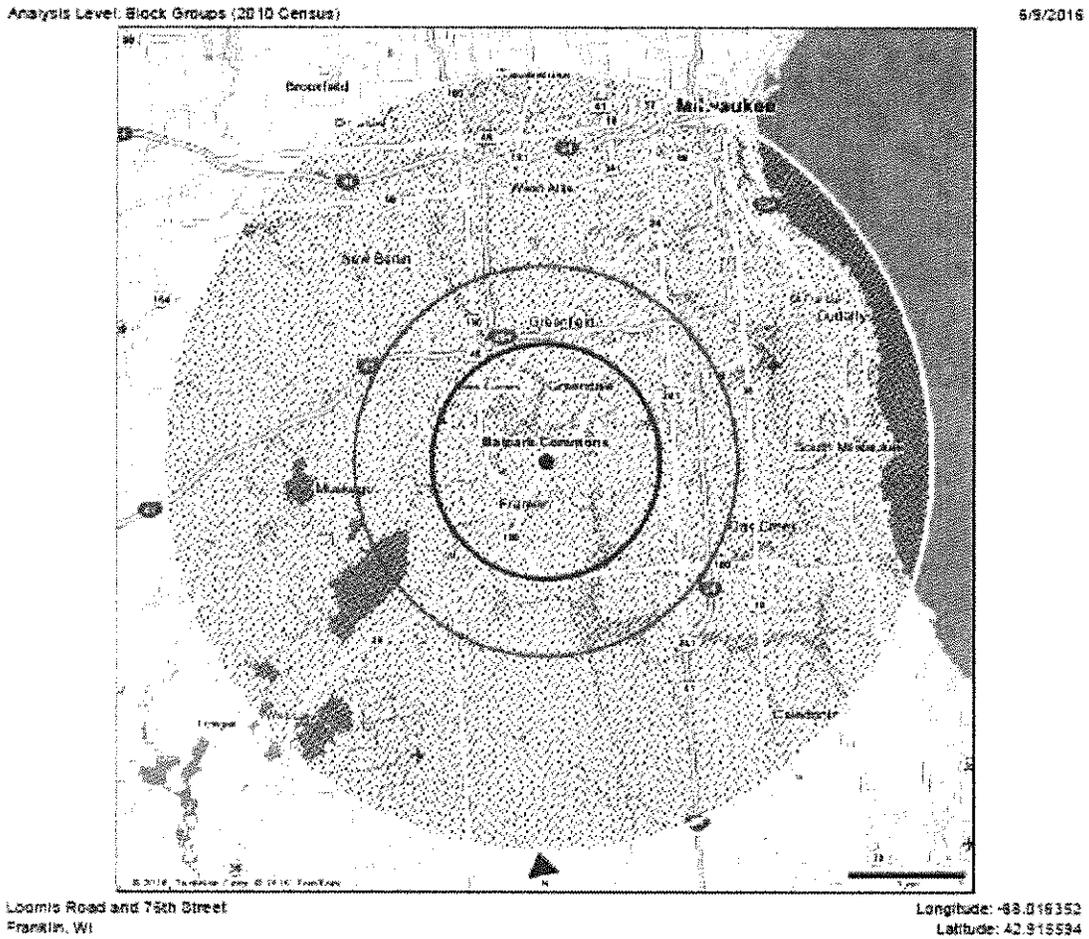
The **Primary Trade Area** has been delineated to include the geographic area within a three-mile radius. We also examined a five-minute driving time from the intersection of the proposed Ballpark Commons site. The Primary Trade Area represents the geographic area from which the most frequent visitors will originate. Approximately 60 to 70 percent of the consumers generated to the Subject Site are generated from the Primary Trade Area. Supermarkets tend to delineate trade areas of three miles, while big box retailers consider five-mile radii. The objective is to maximize market penetration within the three-mile radius. *Figure 2.A* presents the Trade Area Map.

The **Secondary Trade Area** has been delineated to include the geographic area beyond three miles and extending out to five miles. The Secondary Trade area was delineated to encompass about a ten-minute driving time. The Secondary Trade Area represents the geographic areas from which consumers will originate on a less frequent basis. Approximately 10 to 20 percent of the consumers will be generated from the Secondary Trade Area. Stores generating customers beyond the Primary Trade Area, but within the Secondary Trade Area include Shoppers Goods Stores such as Wal-Mart, Target, Sam's Club, Meijer, restaurants, and entertainment venues.

The **Total Trade Area** represents the geographic area within a 10-mile radius or within approximately a 15-minute drive time from the Subject Site. The driving time analysis was conducted during non-peak periods. Approximately 85 percent of the consumers generated to the Subject Sites will originate from within the delineated Trade Area. Another 10 to 15 percent will be generated from outside the delineated Trade Area. Again, this includes visitors and other consumers who shop the area on an infrequent basis or may be passing through the area on their visit to Ballpark Commons.

Figure 2.A

Trade Area Map  
3 Mile, 5 Mile and 10 Mile Radii



**Market Support Factors**

The general demographic characteristics of the Trade Area were thoroughly evaluated. Population, households, median household income, and gross household income for the Trade Area are provided in **Table 2.3** entitled *Trade Area Market Support Data* for 2015. This section focuses on the level of market support available within the delineated Trade Area. A discussion of the demographics of the Trade Area is presented below.

## Ballpark Commons

Population Change						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
1980 Census	39,659		123,490		560,114	
1990 Census	42,454	7.0%	126,139	2.1%	566,402	1.1%
2000 Census	47,967	13.0%	138,677	9.9%	585,549	3.4%
2010 Census	52,093	8.6%	150,068	8.2%	608,553	3.9%
2015 Projection	51,341	-1.4%	147,950	-1.4%	609,744	0.2%
2020 Projection	51,627	0.6%	148,774	0.6%	616,458	1.1%

Households Change						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
1980 Census	13,120		42,552		206,353	
1990 Census	15,735	19.9%	48,499	14.0%	219,317	6.3%
2000 Census	18,813	19.6%	56,802	17.1%	234,723	7.0%
2010 Census	21,299	13.2%	63,039	11.0%	247,072	5.3%
2015 Projection	21,460	0.8%	63,564	0.8%	252,965	2.4%
2020 Projection	21,747	1.3%	64,526	1.5%	258,328	2.1%

Families (2015)			
	Radial Trade Area, 3 miles	Radial Trade Area, 5 miles	Radial Trade Area, 10 miles
Families	13,872	39,366	149,061
Average Family Household Size	2.75	2.75	2.92
Households: Non-Family	7,588	24,198	103,904
Average Non-Family Household Size	1.50	1.51	1.54

Population by Race (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
White	45,681	89.0%	130,021	87.9%	477,355	78.3%
Black	1,788	3.5%	4,119	2.8%	38,100	6.3%
Asian	2,357	4.6%	6,675	4.5%	21,871	3.6%
Native American	184	0.4%	785	0.5%	4,972	0.8%
Hawaiian / Pacific Islander	13	0.0%	52	0.0%	225	0.0%
Two or More	814	1.6%	3,293	2.2%	18,238	3.0%
Other Race	504	1.0%	3,005	2.0%	48,776	8.0%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,537</b>	<b>100.0%</b>

### Hispanic Population (2015)

	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	2,659	5.2%	11,897	8.0%	117,261	19.2%
Not Hispanic	48,682	94.8%	136,052	92.0%	492,483	80.8%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,949</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>

Income (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Median Household Income		\$67,316		\$59,337		\$49,594
Average Household Income		\$83,731		\$76,064		\$64,645
Average Family Income		\$101,853		\$94,234		\$80,152
Per Capita Income		\$35,542		\$32,941		\$27,005

Households by Income (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	954	4.4%	3,111	4.9%	18,515	7.3%
\$10,000-\$14,999	782	3.6%	2,468	3.9%	15,160	6.0%
\$15,000-\$19,999	987	4.6%	3,091	4.9%	15,462	6.1%
\$20,000-\$24,999	820	3.8%	2,944	4.6%	13,586	5.4%
\$25,000-\$29,999	905	4.2%	3,074	4.8%	13,653	5.4%
\$30,000-\$34,999	793	3.7%	3,093	4.9%	15,017	5.9%
\$35,000-\$39,999	952	4.4%	3,045	4.8%	12,398	4.9%
\$40,000-\$49,999	1,786	8.3%	6,057	9.5%	23,652	9.4%
\$50,000-\$59,999	1,587	7.4%	5,246	8.3%	20,705	8.2%
\$60,000-\$74,999	2,384	11.1%	7,198	11.3%	26,397	10.4%
\$75,000-\$99,999	2,954	13.8%	8,725	13.7%	30,435	12.0%
\$100,000-\$124,999	2,612	12.2%	6,312	9.9%	20,878	8.3%
\$125,000-\$149,999	1,479	6.9%	3,481	5.5%	10,835	4.3%
\$150,000-\$199,999	1,508	7.0%	3,369	5.3%	10,016	4.0%
\$200,000-\$249,999	320	1.5%	746	1.2%	2,041	0.8%
\$250,000-\$499,999	585	2.7%	1,451	2.3%	3,817	1.5%
\$500,000+	49	0.2%	151	0.2%	397	0.2%
<b>Total</b>	<b>21,457</b>	<b>100.0%</b>	<b>63,562</b>	<b>100.0%</b>	<b>252,964</b>	<b>100.0%</b>

Households by Tenure (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	14,725	66.1%	41,347	62.7%	145,367	55.2%
Renter Occupied	6,735	30.2%	22,217	33.7%	107,598	40.8%
Vacant	807	3.6%	2,334	3.5%	10,436	4.0%
<b>Total</b>	<b>22,267</b>	<b>100.0%</b>	<b>65,898</b>	<b>100.0%</b>	<b>263,401</b>	<b>100.0%</b>

Daytime Population (2015)			
	Radial Trade Area, 3 miles	Radial Trade Area, 5 miles	Radial Trade Area, 10 miles

Establishments	1,869	4,731	24,232
Employees	20,595	60,078	359,566

Population by Gender (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Male	25,284	49.2%	72,112	48.7%	301,391	49.4%
Female	26,057	50.8%	75,838	51.3%	308,353	50.6%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>

Marital Status (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Now Married	21,968	52.0%	60,502	49.8%	213,111	43.4%
Separated	892	2.1%	2,634	2.2%	14,627	3.0%
Divorced	4,792	11.3%	13,507	11.1%	54,674	11.1%
Never Married	11,763	27.9%	35,771	29.4%	176,974	36.0%
Widowed	2,805	6.6%	9,195	7.6%	31,541	6.4%
<b>Total</b>	<b>42,220</b>	<b>100.0%</b>	<b>121,609</b>	<b>100.0%</b>	<b>490,927</b>	<b>100.0%</b>

Household Structure (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Married Couple Family with Children	4,399	31.7%	12,193	31.0%	45,723	30.7%
Lone Parent Male with Children	429	3.1%	1,396	3.5%	7,347	4.9%
Lone Parent Female with Children	1,069	7.7%	3,420	8.7%	19,837	13.3%
Married Couple Family No Children	6,952	50.1%	18,916	48.1%	60,921	40.9%
Lone Parent Male No Children	320	2.3%	1,131	2.9%	5,379	3.6%
Lone Parent Female No Children	703	5.1%	2,309	5.9%	9,854	6.6%
<b>Total</b>	<b>13,872</b>	<b>100.0%</b>	<b>39,365</b>	<b>100.0%</b>	<b>149,061</b>	<b>100.0%</b>

Total Population (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	2,889	5.6%	8,769	5.9%	41,229	6.8%
Age 5-9	3,059	6.0%	8,829	6.0%	39,678	6.5%
Age 10-14	3,173	6.2%	8,744	5.9%	37,912	6.2%
Age 15-19	2,898	5.6%	7,850	5.3%	37,876	6.2%
Age 20-24	2,181	4.2%	6,774	4.6%	37,610	6.2%
Age 25-29	3,088	6.0%	9,594	6.5%	45,261	7.4%
Age 30-34	3,288	6.4%	10,089	6.8%	46,956	7.7%
Age 35-39	3,222	6.3%	9,493	6.4%	41,140	6.7%
Age 40-44	3,338	6.5%	9,238	6.2%	38,561	6.3%
Age 45-49	3,422	6.7%	9,827	6.6%	39,278	6.4%
Age 50-54	3,956	7.7%	11,103	7.5%	42,203	6.9%
Age 55-59	3,976	7.7%	11,076	7.5%	41,148	6.7%

Age 60-64	3,652	7.1%	9,994	6.8%	35,122	5.8%
Age 65-69	2,968	5.8%	8,018	5.4%	26,611	4.4%
Age 70-74	2,130	4.1%	6,120	4.1%	19,019	3.1%
Age 75-79	1,559	3.0%	4,535	3.1%	14,034	2.3%
Age 80-84	1,183	2.3%	3,656	2.5%	11,435	1.9%
Age 85+	1,358	2.6%	4,241	2.9%	14,671	2.4%
<b>Total</b>	<b>51,340</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>
<b>Median</b>	<b>42.8</b>		<b>42.1</b>		<b>37.2</b>	

<b>Total Male Population (2015)</b>						
	<b>Radial Trade Area, 3 miles</b>		<b>Radial Trade Area, 5 miles</b>		<b>Radial Trade Area, 10 miles</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Age 0-4	1,502	5.9%	4,483	6.2%	21,225	7.0%
Age 5-9	1,505	6.0%	4,415	6.1%	20,224	6.7%
Age 10-14	1,609	6.4%	4,476	6.2%	19,326	6.4%
Age 15-19	1,608	6.4%	4,166	5.8%	19,475	6.5%
Age 20-24	1,256	5.0%	3,523	4.9%	18,641	6.2%
Age 25-29	1,628	6.4%	4,825	6.7%	22,713	7.5%
Age 30-34	1,662	6.6%	5,163	7.2%	24,030	8.0%
Age 35-39	1,656	6.6%	4,855	6.7%	21,160	7.0%
Age 40-44	1,694	6.7%	4,709	6.5%	19,887	6.6%
Age 45-49	1,680	6.6%	4,820	6.7%	19,818	6.6%
Age 50-54	1,937	7.7%	5,484	7.6%	21,188	7.0%
Age 55-59	1,956	7.7%	5,419	7.5%	20,720	6.9%
Age 60-64	1,784	7.1%	4,801	6.7%	17,352	5.8%
Age 65-69	1,331	5.3%	3,663	5.1%	12,437	4.1%
Age 70-74	929	3.7%	2,660	3.7%	8,373	2.8%
Age 75-79	664	2.6%	1,872	2.6%	5,885	2.0%
Age 80-84	469	1.9%	1,436	2.0%	4,408	1.5%
Age 85+	413	1.6%	1,343	1.9%	4,531	1.5%
<b>Total</b>	<b>25,283</b>	<b>100.0%</b>	<b>72,113</b>	<b>100.0%</b>	<b>301,393</b>	<b>100.0%</b>
<b>Median</b>	<b>40.6</b>		<b>40.2</b>		<b>36.2</b>	

<b>Total Female Population (2015)</b>						
	<b>Radial Trade Area, 3 miles</b>		<b>Radial Trade Area, 5 miles</b>		<b>Radial Trade Area, 10 miles</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Age 0-4	1,387	5.3%	4,286	5.7%	20,004	6.5%
Age 5-9	1,554	6.0%	4,413	5.8%	19,454	6.3%
Age 10-14	1,564	6.0%	4,268	5.6%	18,586	6.0%
Age 15-19	1,291	5.0%	3,683	4.9%	18,401	6.0%
Age 20-24	925	3.6%	3,251	4.3%	18,969	6.2%
Age 25-29	1,459	5.6%	4,769	6.3%	22,548	7.3%
Age 30-34	1,626	6.2%	4,926	6.5%	22,926	7.4%
Age 35-39	1,566	6.0%	4,637	6.1%	19,979	6.5%
Age 40-44	1,644	6.3%	4,530	6.0%	18,675	6.1%
Age 45-49	1,742	6.7%	5,007	6.6%	19,460	6.3%

Age 50-54	2,019	7.7%	5,618	7.4%	21,015	6.8%
Age 55-59	2,020	7.8%	5,658	7.5%	20,429	6.6%
Age 60-64	1,868	7.2%	5,193	6.8%	17,770	5.8%
Age 65-69	1,637	6.3%	4,355	5.7%	14,174	4.6%
Age 70-74	1,201	4.6%	3,460	4.6%	10,646	3.5%
Age 75-79	895	3.4%	2,664	3.5%	8,150	2.6%
Age 80-84	714	2.7%	2,220	2.9%	7,027	2.3%
Age 85+	945	3.6%	2,898	3.8%	10,141	3.3%
<b>Total</b>	<b>26,057</b>	<b>100.0%</b>	<b>75,836</b>	<b>100.0%</b>	<b>308,354</b>	<b>100.0%</b>
<b>Median</b>	<b>45.0</b>		<b>44.1</b>		<b>38.3</b>	

Population by Household Type (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Family	38,087	74.2%	108,145	73.1%	435,851	71.5%
Non-Family	11,406	22.2%	36,650	24.8%	160,404	26.3%
Group Quarters	1,848	3.6%	3,155	2.1%	13,489	2.2%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>

Labor Force Employment Status 16 Plus (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
In Armed Forces	2	0.0%	20	0.0%	203	0.1%
Employed	25,472	96.7%	74,814	96.0%	303,182	94.5%
Unemployed	874	3.3%	3,058	3.9%	17,330	5.4%
<b>Total</b>	<b>26,348</b>	<b>100.0%</b>	<b>77,892</b>	<b>100.0%</b>	<b>320,715</b>	<b>100.0%</b>

Educational Attainment Age 25+ (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
< Grade 9	1,325	3.0%	5,048	4.0%	40,965	8.1%
Grades 9-12	3,439	7.9%	11,027	8.8%	62,314	12.4%
High School	9,970	22.8%	32,168	25.6%	123,532	24.5%
Some College	7,906	18.1%	22,970	18.3%	86,453	17.2%
Associate Degree	3,566	8.2%	9,893	7.9%	34,503	6.9%
Bachelors Degree	8,792	20.1%	22,630	18.0%	81,184	16.1%
Graduate Degree	8,679	19.9%	22,003	17.5%	74,277	14.8%
<b>Total</b>	<b>43,677</b>	<b>100.0%</b>	<b>125,739</b>	<b>100.0%</b>	<b>503,228</b>	<b>100.0%</b>

Educational Attainment Age 25+ (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
No schooling completed	162	0.4%	784	0.7%	4,662	1.1%
Nursery-4th grade	61	0.2%	311	0.3%	2,711	0.7%
5th-6th grade	98	0.3%	429	0.4%	6,207	1.5%
7th-8th grade	437	1.2%	1,571	1.5%	7,823	1.9%

9th grade	196	0.5%	722	0.7%	5,598	1.4%
10th grade	616	1.7%	1,814	1.7%	7,957	2.0%
11th grade	686	1.8%	2,022	1.9%	11,023	2.7%
12th grade no diploma	401	1.1%	1,639	1.5%	7,200	1.8%
High school graduate, GED, or alternative	10,039	27.0%	31,993	29.9%	125,678	30.9%
Some college, < 1 year	2,593	7.0%	7,788	7.3%	27,422	6.7%
Some college, 1+ years, no degree	5,574	15.0%	16,155	15.1%	59,253	14.5%
Associate's degree	3,252	8.7%	9,790	9.1%	32,986	8.1%
Bachelor's degree	8,857	23.8%	21,728	20.3%	72,971	17.9%
Master's degree	3,135	8.4%	7,994	7.5%	26,393	6.5%
Professional school degree	725	1.9%	1,521	1.4%	6,217	1.5%
Doctorate degree	356	1.0%	798	0.7%	3,211	0.8%
<b>Total</b>	<b>37,188</b>	<b>100.0%</b>	<b>107,059</b>	<b>100.0%</b>	<b>407,312</b>	<b>100.0%</b>

Educational Attainment Male Age 25+ (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
No schooling completed	59	0.3%	281	0.6%	2,028	1.0%
Nursery-4th grade	18	0.1%	151	0.3%	1,493	0.8%
5th-6th grade	49	0.3%	233	0.5%	3,364	1.7%
7th-8th grade	164	0.9%	643	1.3%	3,717	1.9%
9th grade	95	0.5%	355	0.7%	2,766	1.4%
10th grade	371	2.1%	1,082	2.1%	4,176	2.1%
11th grade	375	2.1%	1,057	2.1%	5,936	3.0%
12th grade no diploma	239	1.3%	855	1.7%	4,033	2.0%
High school graduate, GED, or alternative	4,511	25.4%	14,740	29.0%	60,749	30.7%
Some college, < 1 year	1,186	6.7%	3,586	7.0%	12,927	6.5%
Some college, 1+ years, no degree	2,899	16.3%	8,133	16.0%	29,469	14.9%
Associate's degree	1,321	7.4%	4,305	8.5%	15,676	7.9%
Bachelor's degree	4,312	24.3%	10,332	20.3%	34,248	17.3%
Master's degree	1,509	8.5%	3,728	7.3%	11,695	5.9%
Professional school degree	431	2.4%	933	1.8%	3,728	1.9%
Doctorate degree	207	1.2%	465	0.9%	1,827	0.9%
<b>Total</b>	<b>17,746</b>	<b>100.0%</b>	<b>50,879</b>	<b>100.0%</b>	<b>197,832</b>	<b>100.0%</b>

Educational Attainment Female Age 25+ (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
No schooling completed	103	0.5%	503	0.9%	2,634	1.3%
Nursery-4th grade	43	0.2%	160	0.3%	1,218	0.6%
5th-6th grade	49	0.3%	197	0.3%	2,843	1.4%
7th-8th grade	273	1.4%	928	1.7%	4,106	2.0%
9th grade	101	0.5%	367	0.7%	2,832	1.4%
10th grade	245	1.3%	732	1.3%	3,781	1.8%
11th grade	311	1.6%	965	1.7%	5,087	2.4%
12th grade no diploma	162	0.8%	784	1.4%	3,167	1.5%
High school graduate, GED, or alternative	5,528	28.4%	17,253	30.7%	64,928	31.0%

Some college, < 1 year	1,407	7.2%	4,202	7.5%	14,495	6.9%
Some college, 1+ years, no degree	2,674	13.8%	8,022	14.3%	29,784	14.2%
Associate's degree	1,931	9.9%	5,485	9.8%	17,310	8.3%
Bachelor's degree	4,545	23.4%	11,397	20.3%	38,723	18.5%
Master's degree	1,626	8.4%	4,266	7.6%	14,699	7.0%
Professional school degree	294	1.5%	588	1.0%	2,489	1.2%
Doctorate degree	149	0.8%	333	0.6%	1,383	0.7%
<b>Total</b>	<b>19,441</b>	<b>100.0%</b>	<b>56,182</b>	<b>100.0%</b>	<b>209,479</b>	<b>100.0%</b>

Housing Value of Owner-Occupied Housing Units: (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	36	0.2%	174	0.4%	764	0.5%
\$10,000 to \$14,999	34	0.2%	154	0.4%	806	0.6%
\$15,000 to \$19,999	74	0.5%	331	0.8%	1,117	0.8%
\$20,000 to \$24,999	48	0.3%	107	0.3%	430	0.3%
\$25,000 to \$29,999	21	0.1%	70	0.2%	429	0.3%
\$30,000 to \$34,999	23	0.2%	87	0.2%	318	0.2%
\$35,000 to \$39,999	7	0.0%	45	0.1%	282	0.2%
\$40,000 to \$49,999	34	0.2%	156	0.4%	606	0.4%
\$50,000 to \$59,999	51	0.3%	164	0.4%	1,003	0.7%
\$60,000 to \$69,999	64	0.4%	188	0.5%	1,227	0.9%
\$70,000 to \$79,999	125	0.8%	388	0.9%	2,123	1.5%
\$80,000 to \$89,999	138	0.9%	490	1.2%	3,002	2.1%
\$90,000 to \$99,999	160	1.1%	597	1.4%	3,571	2.5%
\$100,000 to \$124,999	606	4.1%	2,255	5.4%	11,703	8.1%
\$125,000 to \$149,999	971	6.6%	3,488	8.4%	16,106	11.2%
\$150,000 to \$174,999	1,743	11.8%	6,354	15.4%	23,639	16.4%
\$175,000 to \$199,999	1,700	11.5%	5,470	13.2%	16,908	11.8%
\$200,000 to \$249,999	3,710	25.1%	8,563	20.7%	24,847	17.3%
\$250,000 to \$299,999	2,645	17.9%	5,740	13.9%	15,598	10.8%
\$300,000 to \$399,999	1,694	11.5%	4,076	9.9%	11,948	8.3%
\$400,000 to \$499,999	462	3.1%	1,399	3.4%	3,914	2.7%
\$500,000 to \$749,999	337	2.3%	834	2.0%	2,675	1.9%
\$750,000 to \$999,999	56	0.4%	121	0.3%	430	0.3%
\$1,000,000 or more	49	0.3%	124	0.3%	449	0.3%
<b>Total</b>	<b>14,788</b>	<b>100.0%</b>	<b>41,375</b>	<b>100.0%</b>	<b>143,895</b>	<b>100.0%</b>

The **Primary Trade Area** currently contains a population of 51,341 persons in 21,460 households. By 2020, the population is forecast to reach 51,627 persons in 21,747 households. The Downtown daytime working population within the Primary Trade Area is estimated at 20,595 employees in 1,869 establishments. The average household income is estimated at \$83,731 within the Primary Trade Area. The median household income is estimated at \$67,316. The 2015 median age is older at 42.8 years. Owner-occupied housing units amount to approximately 66.1 percent of the housing. Renters account for approximately 30.2 percent and the balance, 3.6 percent, were vacant. The ethnic characteristics are as follows: 89.0 percent White, 3.5 percent Black, 4.6 percent Asian Pacific Islander, 0.04 percent Native American, 0.0 percent Hawaiian/Pacific Islander, 1.6 percent Two or More Races and 1.0 percent Other Race.

The **Secondary Trade Area** currently contains a population of 147,950 persons in 63,564 households. By 2020, the population is forecast to reach 148,774 persons in 64,528 households. The daytime working population within the Secondary Trade Area is estimated at 60,078 employees in 4,731 establishments. The median age is 42.1 years. The ethnic characteristics are as follows: 87.9 percent White, 2.8 percent Black, 4.5 percent Asian, 0.6 percent Native American, 0.0 percent Hawaiian/ Pacific Islander, 2.2 percent Two or More Races, and 2.0 percent Other Race. The 2015 average household income within this Trade Area segment has been estimated at \$76,064. Median household income is estimated at \$59,337.

The **Total Trade Area** currently contains an estimated population of 616,458 persons in 252,965 households. By 2020, the population within the Total Trade Area is forecast to reach 616,458 persons in 258,328 households. The daytime working population within the Total Trade Area is estimated at 359,566 employees in 24,232 establishments.

The median age is slightly younger at 37.2 years. The ethnic characteristics are slightly more diverse as follows: 78.3 percent White, 6.3 percent Black, 3.6 percent Asian, 0.8 percent Native American, 0.0 percent Hawaiian/Pacific Islander, 3.0 percent Two or More Races and 8.0 percent are Other Race. The 2015 average household income is estimated at \$64,645 while the median household income amounts to an estimated \$49,594.

### **Ballpark Commons Stadium**

Over the past 30 years, our firm has conducted studies of stadium and neighborhood impacts throughout the United States. We have examined the impacts that stadiums have upon surrounding areas and the impact of neighborhoods on stadiums. In Milwaukee, the combined Miller Stadium and Potawatomi Casino are generated over 6,000,000 visitors annually to the Menomonee Valley.

The Subject Site envisions retail, restaurant, hotel, office, residential and recreational uses and will generate approximately 250,000 customers yearly when fully completed. since sporting events, shopping, dining, and recreational uses offer compatibly and interchangeable customers.

### The Retail Market

The retail market is fragmented in the Milwaukee Metropolitan Area. Several of the major malls have experienced significant decline in sales, occupancy, and value in recent years. The distressed malls include Northridge Mall, Grand Avenue Mall, and Capitol Court. Northridge Mall closed and Capitol Court lost all of the major department stores and in the late 1990's Target and Dunham's Sports. Southridge Mall lost Youngkers store and replaced the store with Macy's. Even with the decline in department store sales and mall sales, there has been considerable development of big box stores and freestanding grocery stores and drug stores. These freestanding stores generally boast of high occupancy rates with no speculative space.

Some of the retailers either entering or expanding in the market in recent years include Nordstrom, Nordstrom Rack, Von Maur, IKEA, Wal-Mart Supercenter, Sam's Club, Target, Home Depot, Menards, Meijer, Costco, Cabela's, Bass Pro Shop, Pick 'N Save, Sentry Foods, Old Navy, Gander Mountain, REI, Best Buy, Bed Bath & Beyond, and Dick's Sporting Goods, Sports Authority among others. New stores added to Milwaukee's major malls in recent years include Abercrombie & Fitch, Ann Taylor Loft, Barnes & Noble, Williams-Sonoma, Restoration Hardware, Pottery Barn, J Crew, Trader Joe's, Banana Republic, and the Container Store, among others. Most of these new stores were added in the suburbs at Mayfair Mall, Brookfield Square, Bay Shore Town Center, Mayfair Collection and the planned Corner's project in the Town of Brookfield.

The more active retail development segments in the Milwaukee Metropolitan Area include Blue Mound Road in Brookfield, Capitol Drive in Pewaukee, 27<sup>th</sup> Street between College Avenue and Rawson Avenue in Franklin, Rawson Avenue in Oak Creek and Moorland Road and Interstate 43 in New Berlin. Again, most of the new development in recent years has been in the form of freestanding big box stores as well as the new Mayfair Collection and Bay Shore Town Center.

The current occupancy rate is approximately 88 percent in centers over 100,000 square feet. Rental rates range from a low of \$3.00 net per square foot to over \$30.00 gross per square foot.

An analysis of the retail and restaurant development alternatives has led us to conclude that demand for conventional retail space in this sector of Milwaukee is challenging given the proximity to Southridge Mall the largest regional mall in the State of Wisconsin and the proximity to the retail facilities on 27<sup>th</sup> Street in Franklin.

**Tables 2.4, 2.5, and 2.6** provide expenditure data for the Trade Area of the proposed Ballpark Commons. **Table 2.4** presents the per capita expenditures for 2015, 2020 and 2025. These data (**Table 2.4**) were then applied to the current and forecasted population, to arrive at estimates of Personal Consumption Expenditures for the Primary and Secondary Trade Area segments. Finally, **Table 2.5** presents the retail expenditures by retail category for both the Primary and Secondary Trade Area for 2015, 2020 and 2025. Also, presented is our estimate of market penetration for the envisioned retail on the Subject Site. As concluded, the market will support a master-planned,



Table 2.5

Total Retail Expenditure Potential by Retail Category  
2015, 2020 and 2025

Retail Category	Primary Trade Area			Secondary Trade Area			Total Trade Area		
	2015	2020	2025	2015	2020	2025	2015	2020	2025
General Merchandise	\$84,199,240	\$93,135,108	\$104,868,973	\$148,985,650	\$164,796,960	\$185,545,244	\$233,184,890	\$257,932,068	\$290,414,218
Grocery Stores	\$100,012,268	\$110,626,336	\$124,563,878	\$254,474,000	\$281,480,408	\$316,919,384	\$354,486,268	\$392,106,744	\$441,483,263
Eating & Drinking Places	\$74,957,860	\$82,912,962	\$93,358,964	\$220,445,500	\$243,840,586	\$274,540,629	\$295,403,360	\$326,753,548	\$367,899,594
Apparel	\$30,907,282	\$34,187,399	\$38,494,587	\$61,399,250	\$67,915,331	\$76,466,014	\$92,306,532	\$102,102,730	\$114,960,601
Furniture & Household Furnishings	\$18,226,055	\$20,160,344	\$22,700,296	\$31,069,500	\$34,366,794	\$38,693,646	\$49,295,555	\$54,527,138	\$61,393,942
Appliances & Electronics	\$21,563,220	\$23,851,674	\$26,856,888	\$30,625,650	\$33,875,840	\$38,140,879	\$52,188,870	\$57,727,514	\$64,997,568
Lumber, Building Materials	\$49,184,678	\$54,404,533	\$61,258,827	\$137,593,500	\$152,195,802	\$171,357,574	\$186,778,178	\$206,600,335	\$232,616,401
Drug Stores	\$53,343,299	\$59,004,498	\$66,438,331	\$64,358,250	\$71,188,359	\$80,151,123	\$117,701,549	\$130,192,857	\$146,589,455
Miscellaneous Retail Stores	\$53,343,299	\$59,004,498	\$66,438,331	\$119,099,750	\$131,739,377	\$146,325,642	\$172,443,049	\$190,743,875	\$214,763,973
Sporting Goods	\$6,417,625	\$7,098,713	\$7,993,062	\$14,942,950	\$16,528,791	\$18,609,801	\$21,360,575	\$23,627,504	\$26,602,863
Book Stores	\$5,236,782	\$5,792,549	\$6,522,339	\$11,836,000	\$13,092,112	\$14,740,436	\$17,072,762	\$18,884,661	\$21,262,775
Pet Stores	\$4,312,644	\$4,770,335	\$5,371,338	\$9,468,800	\$10,473,690	\$11,792,349	\$13,781,444	\$15,244,024	\$17,163,687
Office Supply Stores	\$2,515,709	\$2,782,695	\$3,133,280	\$7,101,600	\$7,855,267	\$8,844,262	\$9,617,309	\$10,637,963	\$11,977,542
Liquor stores	\$4,004,598	\$4,429,597	\$4,987,671	\$10,208,550	\$11,291,947	\$12,713,626	\$14,213,148	\$15,721,543	\$17,701,297
Movie Theaters	\$2,669,732	\$2,953,064	\$3,325,114	\$7,101,600	\$7,855,267	\$8,844,262	\$9,771,332	\$10,808,332	\$12,169,376

Table 2.6

Total Retail Expenditure Potential, Market Penetration and Sales Volume by Retail Category

2015, 2020 and 2025

Retail Category	Total Retail Potential			Market Penetration			Sales Volume		
	2015	2020	2025	2015	2020	2025	2015	2020	2025
<b>General Merchandise</b>									
Primary	\$84,199,240	\$93,135,108	\$104,868,973	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$148,985,650	\$164,796,960	\$185,545,244	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$233,184,890	\$257,932,068	\$290,414,218	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Food Stores</b>									
Primary	\$100,012,268	\$110,626,336	\$124,563,878	2.0%	2.0%	2.0%	\$2,000,245	\$2,212,527	\$2,491,278
Secondary	\$254,474,000	\$281,480,408	\$316,919,384	0.3%	0.3%	0.4%	\$763,422	\$844,441	\$1,267,678
Total	\$354,486,268	\$392,106,744	\$441,483,263	0.8%	0.8%	0.9%	\$2,763,667	\$3,056,968	\$3,758,955
<b>Eating &amp; Drinking Places</b>									
Primary	\$74,957,860	\$82,912,962	\$93,358,964	16.0%	16.0%	17.0%	\$11,993,258	\$13,266,074	\$15,871,024
Secondary	\$220,445,500	\$243,840,586	\$274,540,629	2.9%	2.9%	3.0%	\$6,392,920	\$7,071,377	\$8,236,219
Total	\$295,403,360	\$326,753,548	\$367,899,594	6.2%	6.2%	6.6%	\$18,386,177	\$20,337,451	\$24,107,243
<b>Apparel</b>									
Primary	\$30,907,282	\$34,187,399	\$38,494,587	8.0%	8.0%	8.0%	\$2,472,583	\$2,734,992	\$3,079,567
Secondary	\$61,399,250	\$67,915,331	\$76,466,014	1.0%	1.0%	1.3%	\$613,993	\$679,153	\$94,058
Total	\$92,306,532	\$102,102,730	\$114,960,601	3.3%	3.3%	3.5%	\$3,086,575	\$3,414,145	\$4,073,625
<b>Furniture &amp; Household Furnishings</b>									
Primary	\$18,226,055	\$20,160,344	\$22,700,296	2.0%	2.0%	2.1%	\$364,521	\$403,207	\$476,706
Secondary	\$31,069,500	\$34,366,794	\$38,693,646	0.3%	0.3%	0.4%	\$93,209	\$103,100	\$154,775
Total	\$49,295,555	\$54,527,138	\$61,393,942	0.9%	0.9%	1.0%	\$457,730	\$506,307	\$631,481
<b>Appliances &amp; Electronics</b>									
Primary	\$21,563,220	\$23,851,674	\$26,856,688	5.0%	5.0%	5.0%	\$1,078,161	\$1,192,584	\$1,342,834
Secondary	\$30,625,650	\$33,875,840	\$38,140,879	1.1%	1.1%	1.2%	\$336,882	\$372,634	\$457,691
Total	\$52,188,870	\$57,727,514	\$64,997,568	2.7%	2.7%	2.8%	\$1,415,043	\$1,565,218	\$1,800,525
<b>Home Improvement</b>									
Primary	\$49,184,678	\$54,404,533	\$61,258,827	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$137,593,500	\$152,195,802	\$171,357,574	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$186,778,178	\$206,600,335	\$232,616,401	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Drugs Stores</b>									
Primary	\$53,343,299	\$59,004,498	\$66,438,331	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$64,358,250	\$71,188,359	\$80,151,123	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$117,701,549	\$130,192,857	\$146,589,455	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Miscellaneous Retail Stores</b>									
Primary	\$53,343,299	\$59,004,498	\$66,438,331	6.0%	6.0%	7.0%	\$3,200,598	\$3,540,270	\$4,650,683
Secondary	\$119,099,750	\$131,739,377	\$148,325,642	1.0%	1.0%	1.0%	\$1,190,998	\$1,317,394	\$1,483,256
Total	\$172,443,049	\$190,743,875	\$214,763,973	2.5%	2.5%	2.9%	\$4,391,595	\$4,857,664	\$6,133,940
<b>Sporting Goods</b>									
Primary	\$6,417,625	\$7,098,713	\$7,993,062	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$14,942,950	\$16,528,791	\$18,609,801	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$21,360,575	\$23,627,504	\$26,602,863	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Book Stores</b>									
Primary	\$5,236,782	\$5,792,549	\$6,522,339	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$11,836,000	\$13,092,112	\$14,740,436	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$17,072,782	\$18,884,661	\$21,262,775	0.0%	0.0%	0.0%	\$0	\$0	\$0

Table 2.6

**Total Retail Expenditure Potential, Market Penetration and Sales Volume by Retail Category, 2015, 2020 and 2025**

Retail Category	Total Retail Potential			Market Penetration			Sales Volume		
	2015	2020	2025	2015	2020	2025	2015	2020	2025
<b>Pet Stores</b>									
Primary	\$4,312,644	\$4,770,335	\$5,371,338	21.0%	21.0%	21.0%	\$905,655	\$1,001,770	\$1,127,981
Secondary	\$9,468,800	\$10,473,690	\$11,792,349	2.0%	2.0%	2.0%	\$189,376	\$209,474	\$235,847
Total	\$13,781,444	\$15,244,024	\$17,163,687	7.9%	7.9%	7.9%	\$1,095,031	\$1,211,244	\$1,363,828
<b>Office Supply Stores</b>									
Primary	\$2,515,709	\$2,782,695	\$3,133,280	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$7,101,600	\$7,855,267	\$8,844,262	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$9,617,309	\$10,637,963	\$11,977,542	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Other Miscellaneous Stores</b>									
Primary	\$4,004,598	\$4,429,597	\$4,987,671	24.0%	24.0%	25.0%	\$961,104	\$1,063,103	\$1,246,918
Secondary	\$10,208,550	\$11,291,947	\$12,713,626	4.0%	4.0%	5.0%	\$408,342	\$451,678	\$635,681
Total	\$14,213,148	\$15,721,543	\$17,701,297	9.6%	9.6%	10.6%	\$1,369,446	\$1,514,781	\$1,882,599
<b>Movie Theaters</b>									
Primary	\$2,669,732	\$2,953,064	\$3,325,114	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$7,101,600	\$7,855,267	\$8,844,262	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$9,771,332	\$10,808,332	\$12,169,376	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Total</b>	<b>\$1,599,044,447</b>	<b>\$1,768,745,908</b>	<b>\$1,991,482,629</b>	<b>1.9%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>\$32,965,264</b>	<b>\$36,463,778</b>	<b>\$43,752,195</b>

Source: Melaniphy & Associates, Inc., 2016

mixed-use development on the Subject Site. The development process will require aggressive leasing and development. Thus, we recommend that the development be undertaken in phases. **Table 2.7** depicts our recommendations by retail category, general store sizes, and estimated sales for each phase.

**Table 2.7**  
**Square Footage Allocations and Estimated Sales Volumes**

<b>Category</b>	<b>Approximate Square Footage</b>	<b>Estimated Sales</b>
Department Stores	0	\$0
Food category (Grocery Stores)	4,000	\$2,800,000
Eating & Drinking category (Restaurants)	36,800	\$18,000,000
Apparel & Accessory Store category	10,000	\$3,000,000
Furniture & Household Accessories category	1,600	\$400,000
Appliance & Electronics category	2,100	\$1,400,000
Home Improvement category	0	\$0
Drug Store category	0	\$0
Miscellaneous Retail Stores category	15,000	\$3,900,000
Sporting Goods category	0	\$0
Book Stores category	0	\$0
Pet Stores category	5,000	\$1,100,000
Office Supply Store category	0	\$0
Other Miscellaneous Stores category	5,500	\$1,430,000
Professional Services	20,000	\$0
<b>TOTAL</b>	<b>100,000</b>	<b>\$32,030,000</b>

*Source: Melaniphy & Associates, Inc.*

**PROSPECTIVE TENANTS AND SQUARE FOOTAGES**

**Table 2.8** presents our recommendations for the types of prospective tenants by retail category that should be targeted for the Ballpark Commons project.

Table 2.8

**Prospective Target Tenants  
Ballpark Commons**

<b>Category</b>	<b>Approximate Square Footage</b>
<b>Grocery/Convenience/Liquor</b>	
7-Eleven	4,000
AM PM Mini Mart	2,500
Cardinal Liquors	4,000
Independent Liquor Store	2,800
<b>Electronics</b>	
AT&T	1,800
Boost Mobile	1,700
Metro PCS	1,400
Spint	1,800
US Cellular	1,800
Verizon	1,800
<b>Miscellaneous Retail Stores</b>	
Corner Barkery - Pet Store	2,000
Krisers	1,500
Petco	8,000
Sports Apparel/Sports Memorabilia	1,800
<b>Restaurants</b>	
Bandana's Bar-B-Q	5,000
Buffalo Wild Wings	7,000
Cheddar's Scratch Kitchen	6,500
Chili's	6,000
Red Robin	5,500
Ruby Tuesday	5,500
World of Beer	6,000

Table 2.8 (Continued)

Prospective Target Tenants  
Ballpark Commons

Category	Approximate Square Footage
<b>Fast Casual Restaurants</b>	
Blaze Pizza	3,200
Burger Fi	3,500
Chipotle	1,800
Cosi	3,000
Fatburger	2,600
Five Guys	4,000
Firehouse Subs	1,800
Jake's Wayback Burgers	2,000
Jersey Mike's	1,800
Jet's Pizza	4,000
Jimmy John's	1,800
Mod Pizza	3,000
Panda Express	1,800
Pie Five Pizza	1,800
Smashburger	2,200
Topper's Pizza	1,700
Which Wich	2,000
Wingstop	2,000

Table 2.8 (Continued)

**Prospective Target Tenants  
Ballpark Commons**

<b>Category</b>	<b>Approximate Square Footage</b>
<b>Restaurants - Food Specialities</b>	
Dunkin Donuts	1,800
Menchie's	2,000
Nestle Tollhouse Café	1,500
Red Mango	1,600
Robeks	1,200
Starbucks Coffee	1,700
Yogurtland	1,800
<b>Professional Services</b>	
Edward Jones Insurance	2,000
Great Clips	1,400
H & R Block	2,000
Jackson Hewitt Tax Service	1,500
Nationwide Insurance	2,200
Scottrade	2,500
Sports Clips	1,800
Cleaners	2,500
CorePower Yoga	6,000
Fitness 19	7,000
Planet Fitness	12,000
PostNet	1,400
Snap Fitness	7,000

**Recreational/Entertainment Potential**

The development of the stadium will enhance the market potential for sports-related entertainment facilities and a health club. These entertainment venues must be incorporated into a mixed-use development featuring retail, restaurant, office, hotel, and service-oriented uses.

Ballpark Commons is forecast to attract 250,000 visitors. We have concluded that there is currently a market for the Stadium complex on the Subject Site. We recommend the developer focus on outlot development including a sports bar, theme restaurant, fast casual restaurants and family entertainment center. The development should feature sports related entertainment including a sports bar, theme restaurant, a family entertainment center, comedy club, and professional service uses. The restaurant and entertainment venues would represent follow-on uses to the stadium development. Restaurants surround the majority of recently developed baseball parks and stadiums in the United States.

### **Apartment Potential**

The underlying apartment market conditions were thoroughly evaluated in the Moegenburg Report and in our opinion the conclusions are supportable. The apartment market is one of the strongest real estate segments. The apartment market has been the strongest in over 9 years according to Axiometrics, a Dallas-based research firm. The average national rent of \$1,247 for the third quarter of 2014 increased by \$59 from the average of \$1,188 in 2014's third quarter which represents 5.2 percent annual rent growth. This is the highest rate of rent growth since the third quarter of 2006. This has been the strongest year for the apartment market with apartment occupancies reaching over 95%. Demand for rental apartments has increased commensurately following the recession. The decline in home values has inspired consumers to rent rather than own their residences.

The Milwaukee Metropolitan Area has been experiencing strong apartment absorption and a moderate level of new apartment supply. This has assisted in driving down vacancies to below average levels. The metropolitan area vacancy rate was at 96.6 percent in the third quarter of 2015 and above the national average of 95.3 percent. Effective rents in the Milwaukee market were 2.5 percent higher on a year-over-year basis. According to Axiometrics, effective rents will increase 1.9 percent in 2016. This compares to a long term average increase in effective rents of 1.7 percent. Apartment market developers delivered approximately 1,500 new rental units in 2015 up from approximately 600 new units in 2014. The Milwaukee apartment market is forecast to experience ongoing strength going forward in 2016 and beyond with solid effective net rent growth and strong fundamentals. The Drexel Town Square project in Oak Creek for example, has received strong interest for the new apartment component.

Franklin has not seen any measurable new apartment product in recent years with modern facilities, state of the art appliances, granite countertops and other amenities. The 200 to 300 apartment units proposed at Ballpark Commons will experience strong leasing activity and absorption.

### **RECOMMENDATIONS**

**We recommend a master-planned mixed-use development featuring a mix of residential apartments, retail, convenience stores, sports bar, theme and fast casual restaurants and entertainment facilities on the Subject Site. Following development of the Ballpark**

**Commons Stadium** the market for a select-service hotel may develop following the success of the stadium. We do not recommend speculative office space on the Subject Site. The new Ballpark Commons mixed-use development will improve the overall appearance and attraction of the area.

**Phase I** should encompass construction of the 200 to 300 garden-style luxury apartments, the stadium and the 4-season sports complex encompassing 265,000 square feet.

**Phase II** should encompass construction of the 36,800 square feet of restaurants and 27,500 square feet of commercial space. We recommend changes to the site plan to incorporate more freestanding restaurant outlots for theme restaurants and fast casual restaurants to facilitate today's modern restaurant site selection requirements. Traditional in-line strip center locations do not meet many restaurant's site selection criteria. The land requirements for the outlots will generally amount to a half acre to 1 acre sites to accommodate the site selection criteria of most restaurants today.

**Phase III** would follow the successful development of Phase I and Phase II and would encompass construction of the office development. A 120,000 square foot office development is an aggressive undertaking given the challenging office market environment and financing hurdles. We recommend significant pre-leasing requirements in the redevelopment agreement prior to construction. The developer has indicated they would move their offices to anchor the project. Obviously, a major office tenant is difficult to predict but may emerge once Phase I and Phase II of the project are built. Additional ground floor retail and commercial space could be development along with the office space. We do not recommend speculative office development at Ballpark Commons. Pre-leasing requirements are paramount.

**Phase IV** could include a select-service hotel. At the present time, the market for a hotel is limited given the lack of demand drivers and the close proximity of the existing Hampton Inn. A hotel is not a feasible use at this time given the lack of adequate demand. The operation of the stadium and 4-season sports complex may generate additional hotel demand to support the development of a hotel encompassing approximately 60 to 100 rooms.

The Ballpark Commons project is an aggressive undertaking. Mixed-use developments of this nature have much higher risks in terms of leasing, financing, construction and long term viability. The successful development and operation of the stadium, 4-season sports complex and development of the residential component is critical to the success of the project. The retail, restaurant and commercial space will be driven by the success of the stadium and 4-season sports complex. In our opinion, the Ballpark Commons project should be undertaken as a catalyst for residential, restaurant, recreational, and commercial development at this important intersection in Franklin. The mix of uses will create synergy and enhance absorption of the all the other uses.

### SECTION III

## METHODOLOGY

The basic approach to the assignment has been to identify the market forces which either directly or indirectly affect the potential of the proposed Ballpark Commons mixed-use development. The market forces include: population, population growth, age structure, household income, shopping habits and patterns, shopping orientation, employment growth, competitive facilities, locations, accessibility, rental rates, absorption, occupancy, vacancy, and finally, the share of the market the proposed Ballpark Commons can expect to capture in contrast to competitive properties.

The determination of the market potential of the proposed Ballpark Commons development required that we carry out a number of research steps in our review of the Moegenburg Research, Inc. report. Thus, the individual elements of the included the following.

A review of the report prepared by Moegenburg Research, Inc. was conducted to examine the data regarding population, housing, employment, income, competitive facilities, proposed facilities, and other data pertinent to this analysis. Some of the sources included:

- ◆ United States Department of Commerce; Bureau of the Census, 1980, 1990 and 2000; Census of Population
- ◆ United States Department of Commerce; Economic Census of Retail Trade 1982, 1987, 1992, and 1997
- ◆ Southeastern Wisconsin Regional Planning Commission (SEWRPC)
- ◆ State of Wisconsin - Department of Transportation (WISDOT)
- ◆ State of Wisconsin - Department of Industry, Labor, and Human Relations
- ◆ City of Franklin - Department of Economic Development (DCD)
- ◆ Milwaukee Metropolitan Association of Commerce
- ◆ Visit Milwaukee - Milwaukee Convention & Visitors Bureau
- ◆ Milwaukee Journal Sentinel
- ◆ The Business Journal
- ◆ CBRE
- ◆ NAI MLG Commercial
- ◆ International Council of Shopping Centers (ICSC)
- ◆ Axiometrics, Inc.
- ◆ Xligent, Inc.
- ◆ Tactician Inc.
- ◆ Various local city planners and economic development officials

The specific elements of the data analysis are as follows:

**A. Market Forces**

We have examined the data and evaluated the market forces which either directly or indirectly affect the retail market potential.

**B. International, National, Regional and Local Trends**

We continue to gather data regarding international, national, regional and local trends regarding retailing, entertainment, and the Internet. We have focused our trend research on the specific issues affecting the current and future situations of the proposed Ballpark Commons. One of the more recent trends has been the development of lifestyle centers and entertainment districts. We have conducted research regarding shopping centers around the country for over 30 years including their sizes, layout, architectural design, tenant mix, sales performance, construction costs, and consumer patronage, among other pertinent factors.

**C. General Market Conditions**

The socioeconomic characteristics of the Milwaukee Metropolitan Area and Franklin were evaluated and the changes which have taken place, determined. We reviewed the report prepared by Moegenburg Research, Inc. regarding their evaluation of the 2010 Census of Population and population forecasts. The socioeconomic characteristics included: population, population growth, age structure, household characteristics, income dynamics, ethnic mix, employment, employment change and other pertinent factors. We thoroughly examined retail expenditure potential, and retail sales trends. Sources of data included the United States Department of Commerce; Bureau of the Census, Census of Population and Housing, 1980, 1990, 2000 and 2010; the Census of Retail Trade 2002, 2007 and 2012; the State of Wisconsin Department of Labor, Employment, and Human Relations; the Southeastern Wisconsin Regional Planning Commission (SEWRPC); and Tactician, among others.

**D. Trade Area Delineation**

We have delineated the Trade Area for the proposed Ballpark Commons based upon the existing and proposed Milwaukee area retail facilities, the road network, physical and psychological barriers, a detailed driving time analysis, consumer orientation, and our over 30 years of experience in evaluating projects throughout the world. The Trade Area has been divided into by Primary and Secondary segments for analysis. Furthermore, we have identified the geographic areas within the Trade Area where there is market overlap.

**E. Demographics**

Once the Trade Area was delineated, we evaluated and forecast the demographics of the Trade Area by its subsectors (i.e., Primary and Secondary). Demographics include population, age structure, population growth, households, household size, household

income, and other pertinent elements. These data were forecast for 2020 and 2025. We also evaluated age and changes that may occur in the future.

**F. Income Dynamics**

Income is key to expenditure dynamics. We have evaluated the current household income, along with the changes which have taken place since the 2010 Census. Moreover, we have forecast household income for 2020 and 2025.

**G. Retail Sales Trends**

Retail sales data was obtained and studied. The data include the Census of Retail Trade for the Milwaukee Metropolitan Area and Franklin for 2012 (latest data available). This process permitted us to identify retail categories which are overbuilt and those which represent a future development opportunity. Melaniphy & Associates, Inc. has been tracking retail sales trends in the Chicago Metropolitan Area since 1985 based upon sales tax receipt data from the Illinois Department of Revenue. We prepare the Melaniphy Retail Sales Report to identify sales trends and the top 20 markets in the Chicago Metropolitan Area for each individual retail category.

**J. Inventory of Competitive Facilities**

We have reviewed our inventory of the existing competitive retail facilities in and around the trade area. The inventory identifies shopping centers including their location, size, tenant mix, degree of success, and general impact of competitive facilities. We also identified what new retail facilities are proposed within the Trade Area. This includes proposed shopping centers and freestanding retailers including their location, size, timing, major anchors, and anchor sizes.

**K. Personal Consumption Expenditures**

We calculated the Trade Area resident's Personal Consumption Expenditures by retail store category. These data were forecast for 2015, 2020 and 2025. Personal Consumption Expenditures were analyzed by retail category (i.e., food stores, department stores, women's apparel, men's apparel, furniture, electronics, etc.) and represent the dollars spent by Trade Area residents in retail facilities in and around the Milwaukee Metropolitan Area.

## SECTION IV

### RETAIL MARKET ANALYSIS

Our basic technique for determining the demand for retail facilities on a particular site involves the delineation of the Trade Area; division of the Trade Area into subparts for analysis; computation and forecast of population, households, income, personal consumption expenditures; a qualitative and quantitative analysis of existing and proposed competition; locational dynamics, directional growth patterns, the road network, accessibility, the driving time analysis, traffic counts; evaluation of retail and restaurant store type opportunities; and the projection of retail sales which might be captured by various retail operations on the Ballpark Commons site.

#### SUBJECT SITE

The Subject Site is located at the intersection of Loomis Road and Rawson Avenue in the City of Franklin in Milwaukee County. *Figure 4.A* on the following page presents the Milwaukee Metropolitan Area Map depicting the location of the Subject Site. The Ballpark Commons property is a proposed \$120 million development proposed on land at and around an existing sports complex called The Rock with 5 outdoor baseball fields, BMX bike courses, an umbrella bar in the summer and a ski/snowboard and tubing hill in the winter. The site currently generates approximately 150,000 trips per year. The complex is located on Milwaukee County Park land and formerly served as a landfill. The stadium and indoor sports complex would be located on that land and all other development would be on privately owned property. The developer plans a 4,000 spectator (2,500 hard seats) baseball stadium to serve an independent minor league team (In the American Association of Independent Professional Baseball) and the UW-Milwaukee (a DI- college program). Additionally, a 4-season tournament sports complex would be built with four little league sized baseball fields that could also be used for other indoor sports including soccer and lacrosse encompassing 265,000 square feet. Retail and restaurant are suggested to be included in the entry of the complex. To the east of the stadium between Rawson Avenue and 76<sup>th</sup> Street there is a suggestion for 1 or 2 hotels accommodating up to 220 rooms as well as the possibility of additional restaurant and retail out lots. The development envisions 36,800 square feet of restaurants (4) and 27,500 square feet of commercial.

To the south of the sports complex along Rawson Avenue would be a 120,000 office development and mixed-use buildings with approximately 47,000 square feet of ground floor retail space with office space or apartments above. Further south, would be 200 to 300 garden style, luxury apartments spread across 3, 3-story buildings and a 6,600 square foot club house.

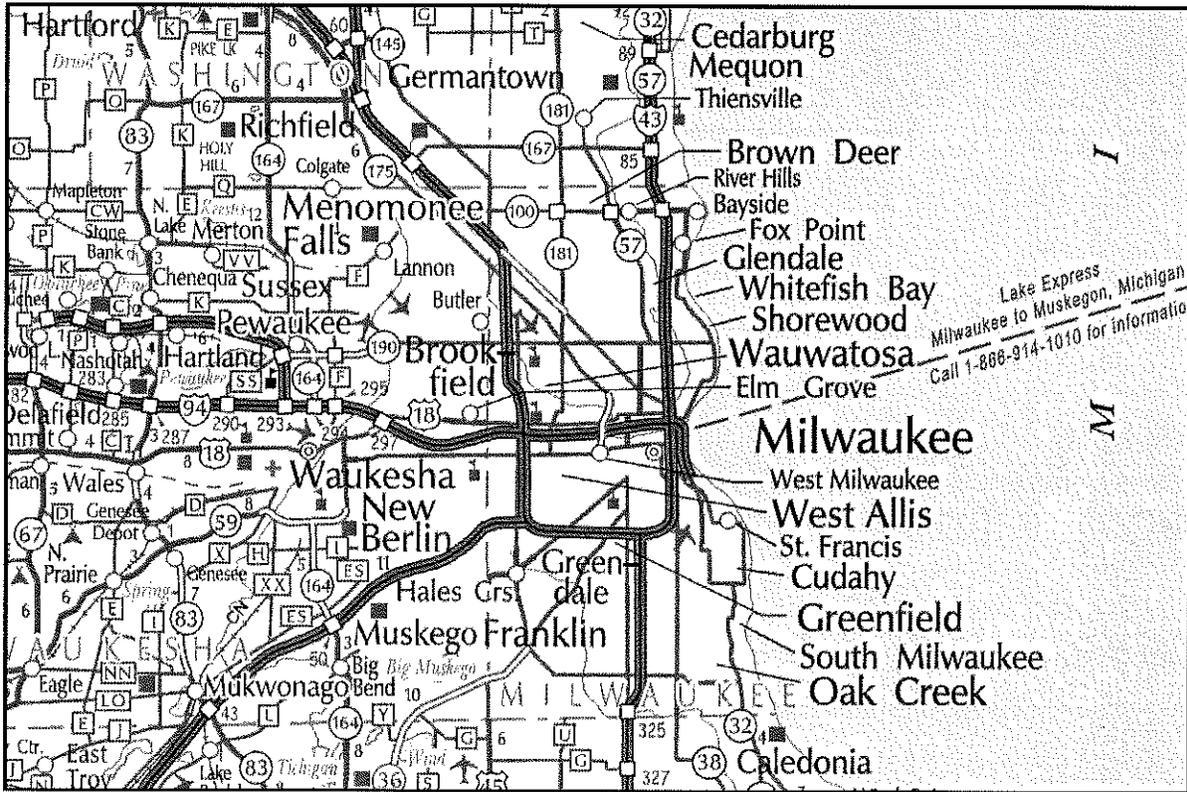
#### ACCESSIBILITY

The Milwaukee Metropolitan Area enjoys excellent regional accessibility. Interstate Highways serving the Milwaukee Metropolitan Area include Interstates 94, 41, 43, 794, and 894. The

major U.S. Highways serving Milwaukee include 41, 45, and 18. State Highways serving the metro area include 15, 24, 32, 36, 38, 57, 59, 100, 164, 167, 181, and 190.

Figure 4.A

MILWAUKEE METROPOLITNA AREA MAP



Interstate 94 affords excellent regional north-south accessibility between Chicago and Milwaukee. Interstate 94 also provides excellent east-west access between Milwaukee and Madison. Interstate 94 is a limited access interstate Highway with 12 moving lanes and 55-mph speed limit in proximity to Rawson Avenue. A full interchange is provided at Layton Avenue, College Avenue, Rawson Avenue, and Ryan Road.

Interstate 894, known as the Bypass, is a partial circumferential highway serving Milwaukee's outer ring suburban areas. Interstate 894 is a limited access interstate highway connector/bypass with eight moving lanes and a 55-mph speed limit in proximity to 76<sup>th</sup> Street. A full four-way interchange is provided along Interstate 94 at Rawson Avenue.

Local north-south access is provided by 76<sup>th</sup> Street as well as by Loomis Road. 76<sup>th</sup> Street extends from roughly the Racine County Line on the south, to Highway 60 in Cedarburg on the north. However, at Portland Street, 76<sup>th</sup> Street is diverted over to Highway 181.

Loomis Road (State Highway 36) provides northeast-southwest access to Franklin with four moving lanes, left hand turn lanes at designated intersections, and grass median strip divider in proximity to the proposed Ballpark Commons. Loomis Road provides fairly high speed access with the speed limit varying between 40 and 55 miles per hour to the south.

**Driving Time Analysis**

Our normal procedure is to conduct a detailed Driving Time Analysis from the Subject Site in all directions for 20 minutes at 5-minute intervals during normal shopping times. The Driving Time Analysis assists in the delineation of the Trade Area by simulating the distances a consumer can travel during given time allocations. The street name, direction of travel, and driving time by five-minute interval is presented in **Table 4.1**.

In order to assess driving times, our staff conducted driving times as indicated. We also simulated driving times using several computer programs. Following a review of all of the results, we defined logical driving times in normal shopping traffic from the Ballpark Commons site.

**Table 4.1**

**Driving Time Analysis  
5, 10, 15 and 20 Minutes  
May 2016**

**76<sup>th</sup> Street – Traveling North**

5-minute interval	-	Southridge Mall
10-minute interval	-	Oklahoma Avenue
10-minute interval	-	Portland Street
15-minute interval	-	Jackson Street
20-minute interval	-	North Avenue

**76<sup>th</sup> Street – Traveling South**

5-minute interval	-	Lakewood
10-minute interval	-	Oakwood
15-minute interval	-	County K (76 <sup>th</sup> street terminus)
20-minute interval	-	

**Rawson Avenue (County Highway BB) - Traveling East**

5-minute interval	-	51 <sup>st</sup> Street
10-minute interval	-	27 <sup>th</sup> Street
15-minute interval	-	Interstate 94
20-minute interval	-	Howell Avenue

**Rawson Avenue County Highway BB) – Traveling West**

5-minute interval	-	Lover’s Lane Road
10-minute interval	-	Forest Home Avenue (Rawson Avenue terminus)
15-minute interval	-	
20-minute interval	-	

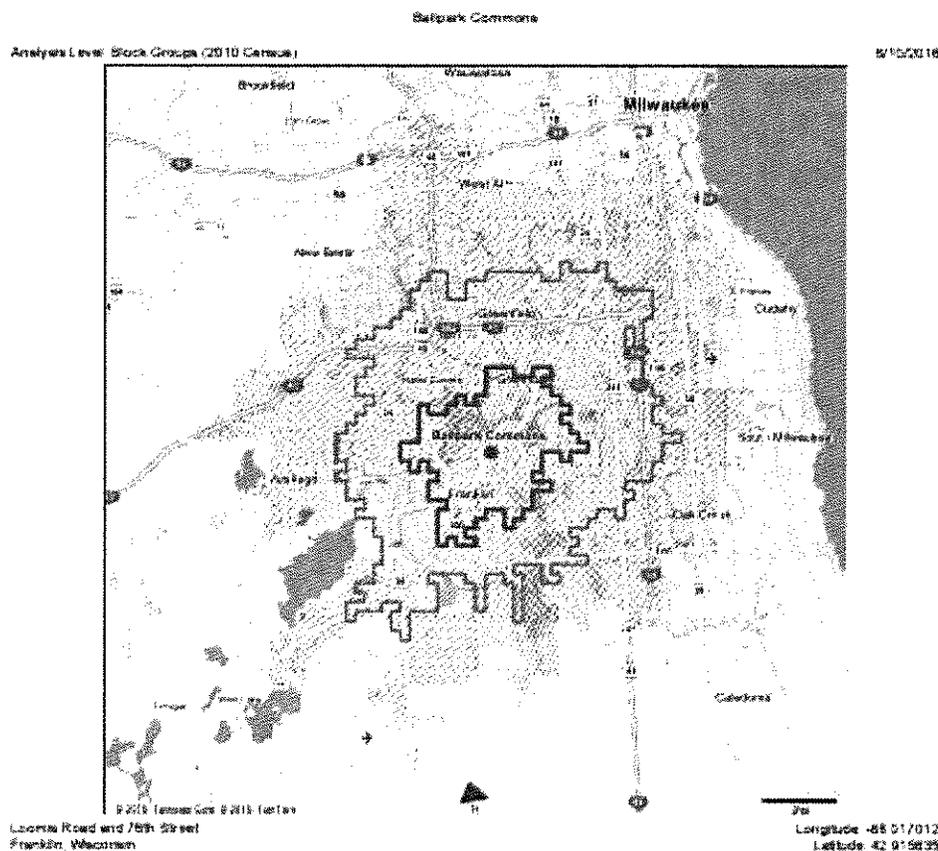
Source: Melaniphy & Associates, Inc. – May 2016

The driving times are undertaken to determine the distances that consumers can drive during normal shopping hours in relation to the Franklin market and other major significant retail concentrations. For example, our driving times studies indicates that it takes approximately five minutes to get to Southridge Mall, the largest enclosed mall in the state of Wisconsin.

The driving time analysis indicates the 20-minute interval is roughly bounded by New Berlin to the North, Caledonia to the South, Oak Creek to the east and Mukwanago to the west. Naturally, there will be variations in driving times because of traffic, traffic signals, truck traffic, accidents, barriers, and other traffic impediments. We have averaged the driving trips to arrive at our listed driving times and distances. *Figure 4.B* depicts a computer generated driving time analysis providing the 5, 10, and 15-minute driving times.

*Figure 4.B*

**Driving Time Analysis  
5 minutes, 10 minutes and 15 minutes**



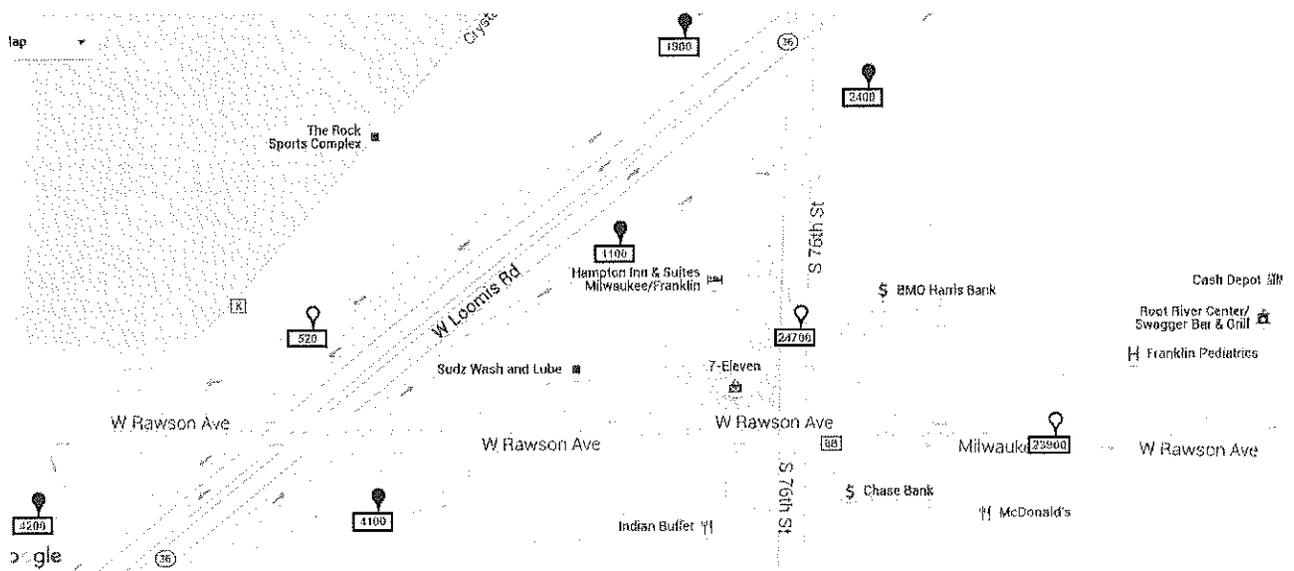
Some of the major mall concentrations are located in Greendale (Southridge Mall), Wauwatosa (Mayfair Mall), Brookfield (Brookfield Square), Milwaukee (Grand Avenue Mall), and Glendale (Bay Shore Town Center), among others.

**Traffic Volumes**

Average daily traffic volume data was obtained from the Wisconsin Department of Transportation for selected arterials in proximity to the proposed Ballpark Commons. **Figure 4.C** presents the annual average daily traffic count map for the intersection of Loomis Road and Rawson Avenue in 2014.

**Figure 4.C**

**Annual Average Daily Traffic Counts  
Wisconsin Department of Transportation  
2014**



*Wisconsin Department of Transportation, Annual Average Daily Traffic Counts - 2014*

**Table 4.2** presents the 2014 average daily traffic volumes (the latest published data available) for the selected arterials in proximity to the Subject Site.

Table 4.2

**Annual Average Daily Traffic Volumes  
Selected Arterials  
2014**

<u>Selected Arterials</u>	<u>Traffic Count</u>
<b><u>Loomis Road (Hwy 36)</u></b>	
North of Rawson Avenue	8,600 vehicles
South of Rawson Avenue	19,500 vehicles
<b><u>Rawson Avenue (County Highway BB)</u></b>	
East of Loomis Road	23,900 vehicles
West of Loomis Road	9,700 vehicles
<b><u>Loomis Off and On Ramps at Rawson Avenue</u></b>	
Loomis Road east off ramp to Rawson Avenue vehicles	4,100
Loomis Road west off ramp to Rawson Avenue	520 vehicles
Loomis Road on ramp east from 76 <sup>th</sup> Street	2,400 vehicles
Loomis Road on ramp west from Rawson Avenue	4,200 vehicles
Loomis Road east - off ramp to 76 <sup>th</sup> Street	1,100 vehicles
Loomis Road west – off ramp to 76 <sup>th</sup> Street	2,300 vehicles
76 <sup>th</sup> Street on ramp to Loomis Road west	1,900 vehicles
76 <sup>th</sup> Street on ramp to Loomis Road east	2,400 vehicles
<b><u>76<sup>th</sup> Street</u></b>	
North of Rawson Avenue	24,700 vehicles
South of Rawson Avenue	12,400 vehicles
<b><u>Interstate 94/41</u></b>	
North of Rawson Avenue	130,000 vehicles
South of Rawson Avenue	104,000 vehicles

Source: Wisconsin Department of Transportation, Average Daily Traffic Counts, 2014

**TRADE AREA DELINEATION**

The Trade Area has been delineated on the basis of distance, driving times, accessibility, the road network, customer attraction and trade area, existing and proposed competition, employment distribution, physical and psychological barriers, shopping habits and patterns, dining-out patterns, as well as our experience in evaluating shopping centers and other commercial developments throughout North America and abroad.

The Trade Area for the Ballpark Commons Site is depicted in *Figure 4.D*. The defined Trade Area is heavily influenced by the major retail concentrations in proximity to Southridge Mall in Greendale. Southridge Mall is the largest enclosed mall in the state of Wisconsin.

By definition, Trade Areas account for approximately 80 to 85 percent of the anticipated customers. Because of visitors, businesspersons, people passing through the area, and others it is difficult and costly to identify the last 15 to 20 percent. Distances traveled and visitor infrequency makes it uneconomic to attempt to define the last 15 percent, as well as prepare demographics for it. The Trade Area, as defined, represents the geographic area from which the vast majority of sales will be derived. Obviously, there would be many visitors to Ballpark Commons. All of these visitors represents potential customers to the retail, restaurant, entertainment facilities and a potential hotel at Ballpark Commons.

In determining the Trade Area, we have examined distances, driving times, and retailer concentration attraction. The Trade Area is influenced by the existence of major competitive concentrations which proscribe the trading area. The major competitive retail concentrations which directly and indirectly affect the geographic size of the Trade Area include Southridge Mall, Brookfield Square, Grand Avenue Mall, Bay and Shore Town Center.

In addition, there are numerous big box concentrations which proscribe the Trade Area including shopping centers in Greendale, Oak Creek, South Milwaukee, and New Berlin, among others.

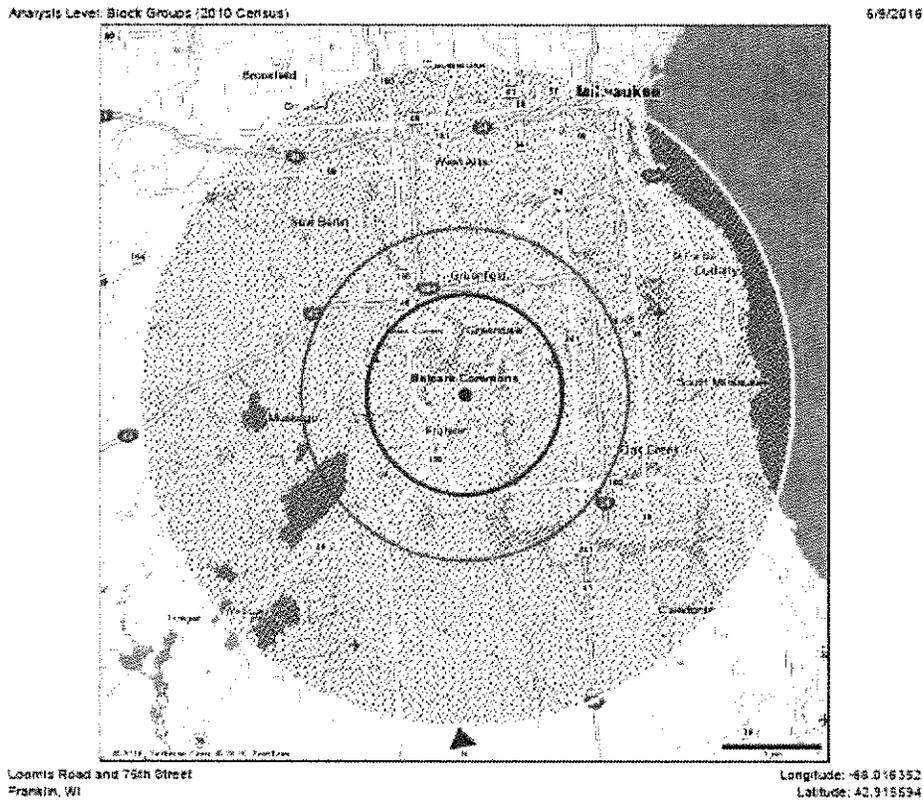
The **Primary Trade Area** has been delineated to include the geographic area within a three-mile radius. We also examined a five-minute driving time from the intersection of the proposed Ballpark Commons site. The Primary Trade Area represents the geographic area from which the most frequent visitors will originate. Approximately 60 to 70 percent of the consumers generated to the Subject Site are generated from the Primary Trade Area. Supermarkets tend to delineate trade areas of three miles, while big box retailers consider five-mile radii. The objective is to maximize market penetration within the three-mile radius. *Figure 4.D* presents the Trade Area Map.

The **Secondary Trade Area** has been delineated to include the geographic area beyond three miles and extending out to five miles. The Secondary Trade area was delineated to encompass about a ten-minute driving time. The Secondary Trade Area represents the geographic areas from which consumers will originate on a less frequent basis. Approximately 10 to 20 percent of the consumers will be generated from the Secondary Trade Area. Stores generating customers beyond the Primary Trade Area, but within the Secondary Trade Area include Shoppers Goods Stores such as Wal-Mart, Target, Sam's Club, Meijer, restaurants, and entertainment venues.

The **Total Trade Area** represents the geographic area within a 10-mile radius or within approximately a 15-minute drive time from the Subject Site. The driving time analysis was conducted during non-peak periods. Approximately 85 percent of the consumers generated to the Subject Sites will originate from within the delineated Trade Area. Another 10 to 15 percent will be generated from outside the delineated Trade Area. Again, this includes visitors and other consumers who shop the area on an infrequent basis or may be passing through the area on their visit to Ballpark Commons.

Figure 4.D

Trade Area Map  
3 Mile, 5 Mile and 10 Mile Radii



**MARKET SUPPORT FACTORS**

The general demographic characteristics of the Trade Area were thoroughly evaluated. Population, households, median household income, and gross household income for the Trade Area are provided in **Table 4.3** entitled *Trade Area Market Support Data* for 2015. This section focuses on the level of market support available within the delineated Trade Area. A discussion of the demographics of the Trade Area is presented below.

The **Primary Trade Area** currently contains a population of 51,341 persons in 21,460 households. By 2020, the population is forecast to reach 51,627 persons in 21,747 households. The Downtown daytime working population within the Primary Trade Area is estimated at 20,595 employees in 1,869 establishments. The average household income is estimated at \$83,731 within the Primary Trade Area. The median household income is estimated at \$67,316. The 2015 median age is older at 42.8 years. Owner-occupied housing units amount to approximately 66.1 percent of the housing. Renters account for approximately 30.2 percent and the balance, 3.6 percent, were vacant. The ethnic characteristics are as follows: 89.0 percent

## Ballpark Commons

Population Change						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
1980 Census	39,659		123,490		560,114	
1990 Census	42,454	7.0%	126,139	2.1%	566,402	1.1%
2000 Census	47,967	13.0%	138,677	9.9%	585,549	3.4%
2010 Census	52,093	8.6%	150,068	8.2%	608,553	3.9%
2015 Projection	51,341	-1.4%	147,950	-1.4%	609,744	0.2%
2020 Projection	51,627	0.6%	148,774	0.6%	616,458	1.1%

Households Change						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
1980 Census	13,120		42,552		206,353	
1990 Census	15,735	19.9%	48,499	14.0%	219,317	6.3%
2000 Census	18,813	19.6%	56,802	17.1%	234,723	7.0%
2010 Census	21,299	13.2%	63,039	11.0%	247,072	5.3%
2015 Projection	21,460	0.8%	63,564	0.8%	252,965	2.4%
2020 Projection	21,747	1.3%	64,526	1.5%	258,328	2.1%

Families (2015)			
	Radial Trade Area, 3 miles	Radial Trade Area, 5 miles	Radial Trade Area, 10 miles
Families	13,872	39,366	149,061
Average Family Household Size	2.75	2.75	2.92
Households: Non-Family	7,588	24,198	103,904
Average Non-Family Household Size	1.50	1.51	1.54

Population by Race (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
White	45,681	89.0%	130,021	87.9%	477,355	78.3%
Black	1,788	3.5%	4,119	2.8%	38,100	6.3%
Asian	2,357	4.6%	6,675	4.5%	21,871	3.6%
Native American	184	0.4%	785	0.5%	4,972	0.8%
Hawaiian / Pacific Islander	13	0.0%	52	0.0%	225	0.0%
Two or More	814	1.6%	3,293	2.2%	18,238	3.0%
Other Race	504	1.0%	3,005	2.0%	48,776	8.0%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,537</b>	<b>100.0%</b>

Hispanic Population (2015)						
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	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Hispanic	2,659	5.2%	11,897	8.0%	117,261	19.2%
Not Hispanic	48,682	94.8%	136,052	92.0%	492,483	80.8%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,949</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>

Income (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Median Household Income		\$67,316		\$59,337		\$49,594
Average Household Income		\$83,731		\$76,064		\$64,645
Average Family Income		\$101,853		\$94,234		\$80,152
Per Capita Income		\$35,542		\$32,941		\$27,005

Households by Income (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	954	4.4%	3,111	4.9%	18,515	7.3%
\$10,000-\$14,999	782	3.6%	2,468	3.9%	15,160	6.0%
\$15,000-\$19,999	987	4.6%	3,091	4.9%	15,462	6.1%
\$20,000-\$24,999	820	3.8%	2,944	4.6%	13,586	5.4%
\$25,000-\$29,999	905	4.2%	3,074	4.8%	13,653	5.4%
\$30,000-\$34,999	793	3.7%	3,093	4.9%	15,017	5.9%
\$35,000-\$39,999	952	4.4%	3,045	4.8%	12,398	4.9%
\$40,000-\$49,999	1,786	8.3%	6,057	9.5%	23,652	9.4%
\$50,000-\$59,999	1,587	7.4%	5,246	8.3%	20,705	8.2%
\$60,000-\$74,999	2,384	11.1%	7,198	11.3%	26,397	10.4%
\$75,000-\$99,999	2,954	13.8%	8,725	13.7%	30,435	12.0%
\$100,000-\$124,999	2,612	12.2%	6,312	9.9%	20,878	8.3%
\$125,000-\$149,999	1,479	6.9%	3,481	5.5%	10,835	4.3%
\$150,000-\$199,999	1,508	7.0%	3,369	5.3%	10,016	4.0%
\$200,000-\$249,999	320	1.5%	746	1.2%	2,041	0.8%
\$250,000-\$499,999	585	2.7%	1,451	2.3%	3,817	1.5%
\$500,000+	49	0.2%	151	0.2%	397	0.2%
<b>Total</b>	<b>21,457</b>	<b>100.0%</b>	<b>63,562</b>	<b>100.0%</b>	<b>252,964</b>	<b>100.0%</b>

Households by Tenure (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	14,725	66.1%	41,347	62.7%	145,367	55.2%
Renter Occupied	6,735	30.2%	22,217	33.7%	107,598	40.8%
Vacant	807	3.6%	2,334	3.5%	10,436	4.0%
<b>Total</b>	<b>22,267</b>	<b>100.0%</b>	<b>65,898</b>	<b>100.0%</b>	<b>263,401</b>	<b>100.0%</b>

Daytime Population (2015)			
	Radial Trade Area, 3 miles	Radial Trade Area, 5 miles	Radial Trade Area, 10 miles

Establishments	1,869	4,731	24,232
Employees	20,595	60,078	359,566

Population by Gender (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Male	25,284	49.2%	72,112	48.7%	301,391	49.4%
Female	26,057	50.8%	75,838	51.3%	308,353	50.6%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>

Marital Status (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Now Married	21,968	52.0%	60,502	49.8%	213,111	43.4%
Separated	892	2.1%	2,634	2.2%	14,627	3.0%
Divorced	4,792	11.3%	13,507	11.1%	54,674	11.1%
Never Married	11,763	27.9%	35,771	29.4%	176,974	36.0%
Widowed	2,805	6.6%	9,195	7.6%	31,541	6.4%
<b>Total</b>	<b>42,220</b>	<b>100.0%</b>	<b>121,609</b>	<b>100.0%</b>	<b>490,927</b>	<b>100.0%</b>

Household Structure (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Married Couple Family with Children	4,399	31.7%	12,193	31.0%	45,723	30.7%
Lone Parent Male with Children	429	3.1%	1,396	3.5%	7,347	4.9%
Lone Parent Female with Children	1,069	7.7%	3,420	8.7%	19,837	13.3%
Married Couple Family No Children	6,952	50.1%	18,916	48.1%	60,921	40.9%
Lone Parent Male No Children	320	2.3%	1,131	2.9%	5,379	3.6%
Lone Parent Female No Children	703	5.1%	2,309	5.9%	9,854	6.6%
<b>Total</b>	<b>13,872</b>	<b>100.0%</b>	<b>39,365</b>	<b>100.0%</b>	<b>149,061</b>	<b>100.0%</b>

Total Population (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Age 0-4	2,889	5.6%	8,769	5.9%	41,229	6.8%
Age 5-9	3,059	6.0%	8,829	6.0%	39,678	6.5%
Age 10-14	3,173	6.2%	8,744	5.9%	37,912	6.2%
Age 15-19	2,898	5.6%	7,850	5.3%	37,876	6.2%
Age 20-24	2,181	4.2%	6,774	4.6%	37,610	6.2%
Age 25-29	3,088	6.0%	9,594	6.5%	45,261	7.4%
Age 30-34	3,288	6.4%	10,089	6.8%	46,956	7.7%
Age 35-39	3,222	6.3%	9,493	6.4%	41,140	6.7%
Age 40-44	3,338	6.5%	9,238	6.2%	38,561	6.3%
Age 45-49	3,422	6.7%	9,827	6.6%	39,278	6.4%
Age 50-54	3,956	7.7%	11,103	7.5%	42,203	6.9%
Age 55-59	3,976	7.7%	11,076	7.5%	41,148	6.7%

Age 60-64	3,652	7.1%	9,994	6.8%	35,122	5.8%
Age 65-69	2,968	5.8%	8,018	5.4%	26,611	4.4%
Age 70-74	2,130	4.1%	6,120	4.1%	19,019	3.1%
Age 75-79	1,559	3.0%	4,535	3.1%	14,034	2.3%
Age 80-84	1,183	2.3%	3,656	2.5%	11,435	1.9%
Age 85+	1,358	2.6%	4,241	2.9%	14,671	2.4%
<b>Total</b>	<b>51,340</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>
<b>Median</b>	<b>42.8</b>		<b>42.1</b>		<b>37.2</b>	

<b>Total Male Population (2015)</b>						
	<b>Radial Trade Area, 3 miles</b>		<b>Radial Trade Area, 5 miles</b>		<b>Radial Trade Area, 10 miles</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Age 0-4	1,502	5.9%	4,483	6.2%	21,225	7.0%
Age 5-9	1,505	6.0%	4,415	6.1%	20,224	6.7%
Age 10-14	1,609	6.4%	4,476	6.2%	19,326	6.4%
Age 15-19	1,608	6.4%	4,166	5.8%	19,475	6.5%
Age 20-24	1,256	5.0%	3,523	4.9%	18,641	6.2%
Age 25-29	1,628	6.4%	4,825	6.7%	22,713	7.5%
Age 30-34	1,662	6.6%	5,163	7.2%	24,030	8.0%
Age 35-39	1,656	6.6%	4,855	6.7%	21,160	7.0%
Age 40-44	1,694	6.7%	4,709	6.5%	19,887	6.6%
Age 45-49	1,680	6.6%	4,820	6.7%	19,818	6.6%
Age 50-54	1,937	7.7%	5,484	7.6%	21,188	7.0%
Age 55-59	1,956	7.7%	5,419	7.5%	20,720	6.9%
Age 60-64	1,784	7.1%	4,801	6.7%	17,352	5.8%
Age 65-69	1,331	5.3%	3,663	5.1%	12,437	4.1%
Age 70-74	929	3.7%	2,660	3.7%	8,373	2.8%
Age 75-79	664	2.6%	1,872	2.6%	5,885	2.0%
Age 80-84	469	1.9%	1,436	2.0%	4,408	1.5%
Age 85+	413	1.6%	1,343	1.9%	4,531	1.5%
<b>Total</b>	<b>25,283</b>	<b>100.0%</b>	<b>72,113</b>	<b>100.0%</b>	<b>301,393</b>	<b>100.0%</b>
<b>Median</b>	<b>40.6</b>		<b>40.2</b>		<b>36.2</b>	

<b>Total Female Population (2015)</b>						
	<b>Radial Trade Area, 3 miles</b>		<b>Radial Trade Area, 5 miles</b>		<b>Radial Trade Area, 10 miles</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Age 0-4	1,387	5.3%	4,286	5.7%	20,004	6.5%
Age 5-9	1,554	6.0%	4,413	5.8%	19,454	6.3%
Age 10-14	1,564	6.0%	4,268	5.6%	18,586	6.0%
Age 15-19	1,291	5.0%	3,683	4.9%	18,401	6.0%
Age 20-24	925	3.6%	3,251	4.3%	18,969	6.2%
Age 25-29	1,459	5.6%	4,769	6.3%	22,548	7.3%
Age 30-34	1,626	6.2%	4,926	6.5%	22,926	7.4%
Age 35-39	1,566	6.0%	4,637	6.1%	19,979	6.5%
Age 40-44	1,644	6.3%	4,530	6.0%	18,675	6.1%
Age 45-49	1,742	6.7%	5,007	6.6%	19,460	6.3%

Age 50-54	2,019	7.7%	5,618	7.4%	21,015	6.8%
Age 55-59	2,020	7.8%	5,658	7.5%	20,429	6.6%
Age 60-64	1,868	7.2%	5,193	6.8%	17,770	5.8%
Age 65-69	1,637	6.3%	4,355	5.7%	14,174	4.6%
Age 70-74	1,201	4.6%	3,460	4.6%	10,646	3.5%
Age 75-79	895	3.4%	2,664	3.5%	8,150	2.6%
Age 80-84	714	2.7%	2,220	2.9%	7,027	2.3%
Age 85+	945	3.6%	2,898	3.8%	10,141	3.3%
<b>Total</b>	<b>26,057</b>	<b>100.0%</b>	<b>75,836</b>	<b>100.0%</b>	<b>308,354</b>	<b>100.0%</b>
<b>Median</b>	<b>45.0</b>		<b>44.1</b>		<b>38.3</b>	

Population by Household Type (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Family	38,087	74.2%	108,145	73.1%	435,851	71.5%
Non-Family	11,406	22.2%	36,650	24.8%	160,404	26.3%
Group Quarters	1,848	3.6%	3,155	2.1%	13,489	2.2%
<b>Total</b>	<b>51,341</b>	<b>100.0%</b>	<b>147,950</b>	<b>100.0%</b>	<b>609,744</b>	<b>100.0%</b>

Labor Force Employment Status 16 Plus (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
In Armed Forces	2	0.0%	20	0.0%	203	0.1%
Employed	25,472	96.7%	74,814	96.0%	303,182	94.5%
Unemployed	874	3.3%	3,058	3.9%	17,330	5.4%
<b>Total</b>	<b>26,348</b>	<b>100.0%</b>	<b>77,892</b>	<b>100.0%</b>	<b>320,715</b>	<b>100.0%</b>

Educational Attainment Age 25+ (2015)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
< Grade 9	1,325	3.0%	5,048	4.0%	40,965	8.1%
Grades 9-12	3,439	7.9%	11,027	8.8%	62,314	12.4%
High School	9,970	22.8%	32,168	25.6%	123,532	24.5%
Some College	7,906	18.1%	22,970	18.3%	86,453	17.2%
Associate Degree	3,566	8.2%	9,893	7.9%	34,503	6.9%
Bachelors Degree	8,792	20.1%	22,630	18.0%	81,184	16.1%
Graduate Degree	8,679	19.9%	22,003	17.5%	74,277	14.8%
<b>Total</b>	<b>43,677</b>	<b>100.0%</b>	<b>125,739</b>	<b>100.0%</b>	<b>503,228</b>	<b>100.0%</b>

Educational Attainment Age 25+ (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
No schooling completed	162	0.4%	784	0.7%	4,662	1.1%
Nursery-4th grade	61	0.2%	311	0.3%	2,711	0.7%
5th-6th grade	98	0.3%	429	0.4%	6,207	1.5%
7th-8th grade	437	1.2%	1,571	1.5%	7,823	1.9%

9th grade	196	0.5%	722	0.7%	5,598	1.4%
10th grade	616	1.7%	1,814	1.7%	7,957	2.0%
11th grade	686	1.8%	2,022	1.9%	11,023	2.7%
12th grade no diploma	401	1.1%	1,639	1.5%	7,200	1.8%
High school graduate, GED, or alternative	10,039	27.0%	31,993	29.9%	125,678	30.9%
Some college, < 1 year	2,593	7.0%	7,788	7.3%	27,422	6.7%
Some college, 1+ years, no degree	5,574	15.0%	16,155	15.1%	59,253	14.5%
Associate's degree	3,252	8.7%	9,790	9.1%	32,986	8.1%
Bachelor's degree	8,857	23.8%	21,728	20.3%	72,971	17.9%
Master's degree	3,135	8.4%	7,994	7.5%	26,393	6.5%
Professional school degree	725	1.9%	1,521	1.4%	6,217	1.5%
Doctorate degree	356	1.0%	798	0.7%	3,211	0.8%
<b>Total</b>	<b>37,188</b>	<b>100.0%</b>	<b>107,059</b>	<b>100.0%</b>	<b>407,312</b>	<b>100.0%</b>

Educational Attainment Male Age 25+ (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
No schooling completed	59	0.3%	281	0.6%	2,028	1.0%
Nursery-4th grade	18	0.1%	151	0.3%	1,493	0.8%
5th-6th grade	49	0.3%	233	0.5%	3,364	1.7%
7th-8th grade	164	0.9%	643	1.3%	3,717	1.9%
9th grade	95	0.5%	355	0.7%	2,766	1.4%
10th grade	371	2.1%	1,082	2.1%	4,176	2.1%
11th grade	375	2.1%	1,057	2.1%	5,936	3.0%
12th grade no diploma	239	1.3%	855	1.7%	4,033	2.0%
High school graduate, GED, or alternative	4,511	25.4%	14,740	29.0%	60,749	30.7%
Some college, < 1 year	1,186	6.7%	3,586	7.0%	12,927	6.5%
Some college, 1+ years, no degree	2,899	16.3%	8,133	16.0%	29,469	14.9%
Associate's degree	1,321	7.4%	4,305	8.5%	15,676	7.9%
Bachelor's degree	4,312	24.3%	10,332	20.3%	34,248	17.3%
Master's degree	1,509	8.5%	3,728	7.3%	11,695	5.9%
Professional school degree	431	2.4%	933	1.8%	3,728	1.9%
Doctorate degree	207	1.2%	465	0.9%	1,827	0.9%
<b>Total</b>	<b>17,746</b>	<b>100.0%</b>	<b>50,879</b>	<b>100.0%</b>	<b>197,832</b>	<b>100.0%</b>

Educational Attainment Female Age 25+ (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
No schooling completed	103	0.5%	503	0.9%	2,634	1.3%
Nursery-4th grade	43	0.2%	160	0.3%	1,218	0.6%
5th-6th grade	49	0.3%	197	0.3%	2,843	1.4%
7th-8th grade	273	1.4%	928	1.7%	4,106	2.0%
9th grade	101	0.5%	367	0.7%	2,832	1.4%
10th grade	245	1.3%	732	1.3%	3,781	1.8%
11th grade	311	1.6%	965	1.7%	5,087	2.4%
12th grade no diploma	162	0.8%	784	1.4%	3,167	1.5%
High school graduate, GED, or alternative	5,528	28.4%	17,253	30.7%	64,928	31.0%

Some college, < 1 year	1,407	7.2%	4,202	7.5%	14,495	6.9%
Some college, 1+ years, no degree	2,674	13.8%	8,022	14.3%	29,784	14.2%
Associate's degree	1,931	9.9%	5,485	9.8%	17,310	8.3%
Bachelor's degree	4,545	23.4%	11,397	20.3%	38,723	18.5%
Master's degree	1,626	8.4%	4,266	7.6%	14,699	7.0%
Professional school degree	294	1.5%	588	1.0%	2,489	1.2%
Doctorate degree	149	0.8%	333	0.6%	1,383	0.7%
<b>Total</b>	<b>19,441</b>	<b>100.0%</b>	<b>56,182</b>	<b>100.0%</b>	<b>209,479</b>	<b>100.0%</b>

Housing Value of Owner-Occupied Housing Units: (2010)						
	Radial Trade Area, 3 miles		Radial Trade Area, 5 miles		Radial Trade Area, 10 miles	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	36	0.2%	174	0.4%	764	0.5%
\$10,000 to \$14,999	34	0.2%	154	0.4%	806	0.6%
\$15,000 to \$19,999	74	0.5%	331	0.8%	1,117	0.8%
\$20,000 to \$24,999	48	0.3%	107	0.3%	430	0.3%
\$25,000 to \$29,999	21	0.1%	70	0.2%	429	0.3%
\$30,000 to \$34,999	23	0.2%	87	0.2%	318	0.2%
\$35,000 to \$39,999	7	0.0%	45	0.1%	282	0.2%
\$40,000 to \$49,999	34	0.2%	156	0.4%	606	0.4%
\$50,000 to \$59,999	51	0.3%	164	0.4%	1,003	0.7%
\$60,000 to \$69,999	64	0.4%	188	0.5%	1,227	0.9%
\$70,000 to \$79,999	125	0.8%	388	0.9%	2,123	1.5%
\$80,000 to \$89,999	138	0.9%	490	1.2%	3,002	2.1%
\$90,000 to \$99,999	160	1.1%	597	1.4%	3,571	2.5%
\$100,000 to \$124,999	606	4.1%	2,255	5.4%	11,703	8.1%
\$125,000 to \$149,999	971	6.6%	3,488	8.4%	16,106	11.2%
\$150,000 to \$174,999	1,743	11.8%	6,354	15.4%	23,639	16.4%
\$175,000 to \$199,999	1,700	11.5%	5,470	13.2%	16,908	11.8%
\$200,000 to \$249,999	3,710	25.1%	8,563	20.7%	24,847	17.3%
\$250,000 to \$299,999	2,645	17.9%	5,740	13.9%	15,598	10.8%
\$300,000 to \$399,999	1,694	11.5%	4,076	9.9%	11,948	8.3%
\$400,000 to \$499,999	462	3.1%	1,399	3.4%	3,914	2.7%
\$500,000 to \$749,999	337	2.3%	834	2.0%	2,675	1.9%
\$750,000 to \$999,999	56	0.4%	121	0.3%	430	0.3%
\$1,000,000 or more	49	0.3%	124	0.3%	449	0.3%
<b>Total</b>	<b>14,788</b>	<b>100.0%</b>	<b>41,375</b>	<b>100.0%</b>	<b>143,895</b>	<b>100.0%</b>

White, 3.5 percent Black, 4.6 percent Asian Pacific Islander, 0.04 percent Native American, 0.0 percent Hawaiian/Pacific Islander, 1.6 percent Two or More Races and 1.0 percent Other Race.

The **Secondary Trade Area** currently contains a population of 147,950 persons in 63,564 households. By 2020, the population is forecast to reach 148,774 persons in 64,528 households. The daytime working population within the Secondary Trade Area is estimated at 60,078 employees in 4,731 establishments. The median age is 42.1 years. The ethnic characteristics are as follows: 87.9 percent White, 2.8 percent Black, 4.5 percent Asian, 0.6 percent Native American, 0.0 percent Hawaiian/ Pacific Islander, 2.2 percent Two or More Races, and 2.0 percent Other Race. The 2015 average household income within this Trade Area segment has been estimated at \$76,064. Median household income is estimated at \$59,337.

The **Total Trade Area** currently contains an estimated population of 616,458 persons in 252,965 households. By 2020, the population within the Total Trade Area is forecast to reach 616,458 persons in 258,328 households. The daytime working population within the Total Trade Area is estimated at 359,566 employees in 24,232 establishments.

The median age is slightly younger at 37.2 years. The ethnic characteristics are slightly more diverse as follows: 78.3 percent White, 6.3 percent Black, 3.6 percent Asian, 0.8 percent Native American, 0.0 percent Hawaiian/Pacific Islander, 3.0 percent Two or More Races and 8.0 percent are Other Race. The 2015 average household income is estimated at \$64,645 while the median household income amounts to an estimated \$49,594.

## **COMPETITIVE ENVIRONMENT**

The competitive retail concentrations located both in and outside of the delineated Trade Area are discussed in the following paragraphs. Many of these facilities provide some level of direct and indirect competition to the Subject Site. We have reviewed our competitive Retail Inventory and examined the location of these facilities in relation to Ballpark Commons. Some of the major regional malls, lifestyle centers, shopping centers, and freestanding retailers directly influencing the Ballpark Commons Site are briefly discussed in the following paragraphs.

### **1. Southridge Mall**

Southridge Mall is the largest mall in the state of Wisconsin, is located in the northeast quadrant of 76<sup>th</sup> Street and Grange Avenue in Greendale, Wisconsin a southwestern Milwaukee suburb in Milwaukee County. Southridge Mall is a 1.4 million square foot two level, enclosed regional mall with five anchor department stores. The anchor department stores include Boston Store, JC Penney, Kohl's, Macy's and Sears. Southridge Mall has been the catalyst for most of the commercial development along 76<sup>th</sup> Street. Southridge Mall offers the consumer over 140 specialty stores as well as 11 food service operators in the 450-seat Greenridge Café food court. Some of the more notable stores include American Eagle, Bachrach, Bath & Body Works, Chico's Eddie Bauer, Express, Gymboree, H&M, Justice, Loft, Motherhood Maternity, Old Navy, Pink, The Children's Place, Tilly's, Torrid, Victoria's Secret, Yankee Candle, and Zumiez, among others.

2. The **76<sup>th</sup> Street Corridor** contains a mix of national name-brand retailers and theme restaurants, office buildings, banks, fast food operations, services as well as unique local merchants and restaurants. Some of the major tenants in the Corridor include Best Buy, TGI Friday's, Red Lobster, Kopp's Custard, Robert Haack Jewelers, Kinko's, Barnes & Noble, Steinmart, Drug Emporium, Old Country Buffet, Olive Garden, Ground Round Restaurant, Baker's Square, Champps, Chi Chi's, Starbuck's, Men's Wearhouse, and Bed Bath & Beyond, and Carnival Shoes, among many others.

3. **Mayfair Mall**

Mayfair Mall, the premier upscale mall in the Milwaukee Area, is a 1.1 million square foot, two-level, rectangular-shaped, enclosed mall located in the western suburb of Wauwatosa. The mall opened in 1958 and currently contains approximately 160 stores and parking for 7,167 vehicles. The primary anchor tenants include Macy's (288,000 square feet) the Boston Store (210,000 square feet) and the new Nordstrom Store (140,000 square feet). There is also an 18-screen cinema operated by AMC Theaters. Some of the stores in the mall include Abercrombie & Fitch, Abercrombie Kids, American Eagle Outfitters, Ann Taylor, Apple, Athleta, Baby Gap, Banana Republic, Bath & Body Works, Build-A-Bear Workshop, Chico's, Coach, Crate & Barrel, Eddie Bauer, Express, Express Men, Forever 21, Gap, Hollister, J. Crew, J. Jill, Justice, Kate Spade, Limited, Loft, Michael Kors, Microsoft, Pink, Pottery Barn, Sephora, Talbots, Vera Bradley, Victoria's Secret, Williams-Sonoma, Yankee Candle, and Zumiez, among others. Some of the restaurants include Cheesecake Factory, Maggiano's Little Italy, McCormick & Schmick's, and P.F. Chang's China Bistro, among others.

4. **The Mayfair Collection**

The Mayfair Collection is located up the street from Mayfair Mall on the northeast corner of Route 45 and Burleigh Street. The Mayfair Collection is a 270,000 square foot open air center anchored by Nordstrom Rack, Sak's Off Fifth, Whole Foods Market, Home Goods, Dick's Sporting Goods, DSW, Men's Wearhouse, J. Crew Mercantile, Old Navy, TJ Maxx, Torrid, and Ulta Beauty. There are approximately 1,000 apartment units planned in the Uptown at the District portion of the mixed-use development.

5. **Brookfield Square**

Brookfield Square is a 1,200,000 square foot, cross-shaped center located in the western suburb of Brookfield. The mall contains nearly 115 stores and 6,000 parking spaces. The center opened in 1967 and was expanded in 1986 including the break-up of Chapman's. The Limited operates several of their divisions in the former Chapman's space. The primary anchor tenants include Boston Store (218,705 square feet), J.C. Penney (201,403 square feet), and Sears (229,183 square feet). The Mall developed a food court in 1996.

Some of the tenants in the mall include American Eagle Outfitters, Barnes & Noble, Bath & Body Works, the Children's Place, Christopher & Banks, CJ Banks, Express, The Fresh Market, Gymboree, H&M, Justice, Lane Bryant, The Limited, Loft, The North Face, Shoe Carnival, Tilly's, Torrid, Victoria's Secret, Yankee Candle and Zumiez, among others. Some

of the restaurants include Cooper's Hawk Winery & Restaurant, Black Finn, Bravo! Cucina Italiana. Flemings Prime Steakhouse and Wine Bar, Mitchell's Fish Market, Mooyah Burger, Red Robin, and Stir Crazy.

**6. Bay Shore Town Center**

Bay Shore Town Center is a 1,200,000 square foot regional mall located in the northeast quadrant of Interstate 43 and Silver Spring Drive in Glendale along Milwaukee's North Shore. The property was completely redeveloped by Corrigan Properties + Steiner & Associates. Melaniphy & Associates, Inc. conducted all the market and economic feasibility studies on the project. The primary anchor tenants include the Boston Store, Sports Authority, Barnes & Noble, and Kohl's. Sears closed their department store at the south end of the mall. Some of the other more notable stores include American Eagle Outfitters, Athleta, Banana Republic, Barnes & Noble, Bath & Body Works, Brooks Brothers, Charming Charlie, Chico's, Erehwon Mountain Outfitters, Express, Forever 21, Gap, Baby Gap/Gap Kids, Gymboree, H&M, J. Crew, J. Jill, Justice, Loft, Men's Wearhouse, New York & Company, Old Navy, Orvis, Sports Authority, Sur La Table, Torrid, Trader Joe's, Vera Bradley, Victoria's Secret, White House/Black Market, Yankee Candle, and Zumiez.

**7. The Shoppes at Grand Avenue (formerly Grand Avenue Mall)**

The Shoppes at Grand Avenue are located in Downtown Milwaukee at West Wisconsin Avenue and Third Street. The Grand Avenue Mall was a multi-level facility extending for four city blocks contained within five historic buildings. Skywalks connected the buildings permitting enclosed shopping. The primary anchor tenant is the Boston Store with 250,000 square feet. Marshall Field's closed their 350,000 square foot store in 1997 following years of poor sales performance. The Boston Store is also doing poorly. Marshall Field's had originally replaced Gimbel's when the chain was liquidated. In recent years, Grand Avenue Mall has suffered from the same types of the perceptions of safety and security that have hurt other downtown areas. The redevelopment of the Marshall Field's space included the 131-room Marriott Residence Inn. The redevelopment of the Shoppes at Grand Avenue has been hampered by the lack of commitments from major retailers.

**8. The Corners**

The Corners in the Town of Brookfield is a \$200 million proposed mixed-use development on 19 acres in the Town of Brookfield to be anchored by Wisconsin's first Von Maur store, apartments, and a variety of restaurants. The project is located between Blue Mound Road and Interstate 94 just east of W. Barker Road. The project is expected to open in the Spring of 2017. Von Maur will occupy a 140,000 square foot store along with 235 apartments in two buildings on the second through fifth floors with ground floor retail space. Some of the announced tenants for The Corners are Sendik's Food Market, Arhaus Furniture, Chico's, Evereve, Colectivo, Grinaldi's Pizza, Kilwin's and White House/Black Market.

**9. Drexel Town Square**

Drexel Town Square is a master-planned, mixed-use development at Rawson Avenue and Howell Avenue in Oak Creek anchored by the Froedtert Health facility, the Oak Creek Public Library and City Hall, Emerald Row Apartments, Water Street Brewery, and a Meijer store. Long-range plans call for additional apartment buildings beyond Emerald Row's first phase. Some of the other tenants in addition to Meijer include Petsmart, Chick-Fil-A, US Bank, and Panda Express. A 112-room Marriott TownePlace Suites hotel was recently approved by the Village. The hotel will be built at 7980 S. Market St. within the Drexel Town Square site. The TownePlace Suites replaces a previously approved plan for a 108-room Four Points by Sheraton hotel. The developer of the proposed Sheraton had difficulties obtaining financing for the project. Melaniphy & Associates, prepared the market feasibility study for the retail portion of the Drexel Town Square project. More recently, Waters Senior Living Holdings LLC, based in Minnetonka, Minn., announced they would like to develop a senior living apartment complex on a 2.5-acre city-owned property at 8000 S. Market St. The developer did not identify the number of senior living units they would like to develop but their projects range from 84 to 178 units. The project has been a catalyst for additional development. Ikea recently announced they would build their first Wisconsin store just east of Drexel Town Square

Some of the active big box retailers scouting for sites and building new stores in the Milwaukee Metropolitan Area market in recent years include the following:

**Active Retailers in the Milwaukee Metropolitan Area**

- |                         |                           |
|-------------------------|---------------------------|
| Ace Hardware            |                           |
| Aldi                    | Nordstrom                 |
| Burlington Coat Factory | Nordstrom Rack            |
| Bed Bath & Beyond       | Old Navy                  |
| The Container Store     | Party City                |
| Costco                  | Petco                     |
| CVS Pharmacy            | Petsmart                  |
| Dick's Sporting Goods   | Pet Supplies Plus         |
| DSW                     | PGA Superstore            |
| Home Depot              | Ross Dress for Less       |
| Home Goods              | Sak's Off 5 <sup>th</sup> |
| Hobby Lobby             | Sendik's                  |
| Home Depot              | Target                    |
| IKEA                    | TJ Maxx                   |
| Jo-Ann Fabrics          | Trader Joe's              |
| Kohl's                  | True Value Hardware       |
| Lowe's                  | Ulta Beauty               |
| Marshalls               | Von Maur                  |
| Meijer                  | Walgreens                 |
| Menards                 | Walmart                   |
| Michael's               | Whole Foods               |

Primary growth in the retail facilities has been generated by grocery stores and big box retailers. Department Stores have only recently been a factor in the growth of retail facilities with Nordstrom opening a new store at Mayfair Mall in Wauwatosa and Von Maur opening a new store in The Corners in the Town of Brookfield. Nordstrom Rack and Sak's Off Fifth opened stores at the Mayfair Collection.

### **RETAIL EXPENDITURE PATTERNS**

The analysis thus far has brought into focus the factors which directly and indirectly affect the retail market potential and the attraction of consumer dollars to the Subject property as opposed to competitive complexes. The Trade Area has been delineated and the demographics characteristics of the Trade Area have been analyzed. Next, per capita expenditures by retail category have been calculated utilizing several sources including the Economic Census of Retail of Retail Trade 2012. Finally, all of the factors which have an impact on the market potential of the proposed Ballpark Commons have been analyzed including competition, proposed facilities, accessibility, traffic counts, road patterns, retail sales trends, spending patterns, and local development activity.

The Economic Census of Retail Trade, assembled by the United States Department of Commerce; Bureau of the Census, is the principal source of retail sales data. The Economic Census of Retail Trade is compiled and published every five years; the most recent publication being 2012. The 2012 Economic Census of Retail Trade was thoroughly evaluated for the Milwaukee Metropolitan Area.

In 2012, the Economic Census of Retail Trade, indicated the Milwaukee Metropolitan Area generated 2012 total retail sales of over \$20.0 billion. *General Merchandise* sales in Milwaukee amounted to \$2.8 billion in 2012, while *Home Improvement* recorded sales of \$1.3 billion. *Furniture and Home Furnishings* stores in the Milwaukee Metropolitan Area generated sales of \$448 million in 2012. *Appliance & Electronics* stores recorded sales of \$572.9 million. *Food and beverage stores* recorded sales of \$3.4 billion. *Apparel & Accessory* stores recorded sales of approximately \$815.4 million. Restaurant sales are recorded in the Economic Census of Accommodation and Foodservice. Restaurant sales in the Milwaukee MSA in 2012 amounted to \$2.0 billion.

Table 4.4 presents the Economic Census of Retail Trade and Economic Census of Accommodations and Foodservice, which identifies the retail sales by retail category in the State of Wisconsin, Milwaukee MSA and the City of Milwaukee.

**Table 4.4**  
**Economic Census of Retail Trade and Accommodation & Foodservice**  
**State of Wisconsin, Milwaukee MSA and City of Milwaukee**  
**2012**

Retail Category	Census 2012 State of Wisconsin (\$1,000)	Census 2012 Milwaukee MSA (\$1,000)	Census 2012 City of Milwaukee (\$1,000)	Census 2012 City of Franklin (\$1,000)	Per Capita Milwaukee MSA (\$1,000)
Total Retail Trade	\$78,201,822	\$20,086,363	\$3,894,914	\$614,629	\$12,778
Motor Vehicle and Parts Dealers	\$15,782,130	\$4,468,685	\$583,768	\$136,972	\$2,843
Furniture and Home Furnishings	\$1,390,605	\$448,684	\$43,452	\$9,637	\$285
Electronics and Appliance Stores	\$1,669,988	\$572,999	\$63,578	\$1,140	\$365
Building Materials and Garden Equipment & Supplies Dealers	\$6,399,543	\$1,300,030	\$217,511	\$83,881	\$827
Food & Beverage Stores	\$10,417,930	\$3,437,874	\$901,535	D	\$2,187
Health and Personal Care Stores	\$4,620,952	\$1,669,747	\$516,833	\$37,523	\$1,062
Gasoline Stations	\$13,049,110	\$2,564,808	\$625,600	\$44,483	\$1,632
Clothing and Clothing Accessories Stores	\$2,406,636	\$815,453	\$141,151	D	\$519
Sporting Goods, Hobby, Book, & Music Stores	\$1,399,864	\$419,966	\$63,222	\$10,931	\$267
General Merchandise Stores	\$11,813,092	\$2,835,825	\$417,700	D	\$1,804
Miscellaneous Store Retailers	\$1,466,126	\$437,754	\$84,210	\$11,665	\$278
Restaurants	\$6,623,553	\$2,033,681	\$658,335	\$27,404	\$1,294
Nonstore Retailers	\$7,785,846	\$1,114,538	\$236,355	\$28,667	\$278

Source: United States Department of Commerce, Economic Census of Retail Trade and Accommodations and Foodservice, 2012

The City of Franklin generated 2012 total retail sales of over \$614.6 million. *General Merchandise* sales in Franklin were not disclosed. *Home Improvement* recorded sales of \$83.8 million. *Furniture and Home Furnishings* stores in Franklin generated sales of \$9.6 million in 2012. *Appliance & Electronics* stores recorded sales of \$1.1 million. *Food and beverage stores* were not disclosed. *Apparel & Accessory* stores were also not disclosed. Restaurant sales are recorded in the Economic Census of Accommodation and Foodservice. Restaurant sales in the Franklin in 2012 amounted to \$27.4 million.

The developer of Ballpark Commons envisions a “Sports Village” with a central “Main Street” with a pedestrian friendly design to accommodate retail and mixed use. Target tenants include full service restaurant, fast casual restaurants, traditional boutique retailers and professional service providers. The Sports Village development plan encompasses ground floor commercial uses with residential above to create a mixed-use environment.

From these calculations, the per capita expenditures for individual retail categories were determined for the Milwaukee MSA Next, we forecast these expenditures for the projections years of 2015, 2020 and 2025. These forecasts were accomplished several ways. First, household income data were evaluated. Since consumers tend to spend fairly consistent percentages of their household income for specific types of goods and services, income dynamics were analyzed. The income composition also provided insight into the expenditures within individual retail categories. We also included the current recession, consumer spending sentiment, and likely retail sales changes in the projection years.

**Table 4.5** presents the per capita expenditures by retail category for each segment of the Trade Area for 2015, 2020 and 2025, respectively. The per capita expenditures were then applied to the population within the respective portions of the Trade Area to compute the total retail expenditure potential within each segment of the Trade Area and retail category. **Table 4.6** presents the total retail potential by retail category for the projection years.

### MARKET PENETRATION

Market penetration for a shopping center, retailer, or restaurant is the level of market share that the facility is capturing or expected to capture of Personal Consumption Expenditures within a defined Trade Area. The market penetration for the Ballpark Commons Site was computed in order to calculate the likely sales volumes that various restaurants or retailers might expect to capture. The market penetration and sales volume computations are also based upon a review of the competitive retail concentrations within the Trade Area. **Table 4.7** presents the market penetration and sales volumes for the Ballpark Commons Site by retail category and Trade Area segment for the projection years. The table indicates the market potential for additional retail, restaurants, and entertainment venues on the Ballpark Commons site. A discussion is as follows:

### MARKET POTENTIAL 2015, 2020 and 2025

The developer of Ballpark Commons envisions a “Sports Village” with a central “Main Street” with a pedestrian friendly design to accommodate retail and mixed use. Target tenants include full service restaurant, fast casual restaurants, traditional boutique retailers and professional service providers. The Sports Village development plan encompasses ground floor commercial uses with residential above to create a mixed-use environment. We have considered the types of restaurants, traditional boutique retailers and professional service providers.

The development envisions 36,800 square feet of restaurants (4) and 27,500 square feet of commercial. To the south of the sports complex along Rawson Avenue would be a 120,000 office development and mixed-use buildings with approximately 47,000 square feet of ground floor retail space with office space or apartments above. Further south, would be 200 to 300 garden style, luxury apartments spread across 3, 3-story buildings and a 6,600 square foot club house. Thus, the development will include up to three commercial buildings totaling not more than 50,000 square feet of commercial space, with one of those buildings possibly being a hotel. To the east of the stadium between Rawson Avenue and 76<sup>th</sup> Street there is a suggestion for 1 or 2 hotels accommodating up to 220 rooms as well as the possibility of additional restaurant and retail out lots.

Our evaluation of the market potential has examined the market feasibility to successfully occupy approximately 100,000 square feet of commercial space plus a hotel and office space.

The Market Penetration analysis indicates that there are some development opportunities. The mix and type of new retailers will greatly affect the level of retail sales that might be achieved. The professional service providers in most cases do not generate retail sales and thus are not sales tax producing uses. In our opinion, the initial primary focus should be on a signature restaurant and fast casual restaurants to attract patrons from the Ballpark Commons Complex.

Table 4.5

Per Capita Retail Expenditures by Retail Category  
2015, 2020 and 2025

Retail Category	Primary Trade Area			Secondary Trade Area			Total Trade Area		
	2015	2020	2025	2015	2020	2025	2015	2020	2025
	General Merchandise	\$1,640	\$1,804	\$2,020	\$1,007	\$1,108	\$1,241	\$1,324	\$1,456
Grocery Stores	\$1,948	\$2,143	\$2,400	\$1,720	\$1,892	\$2,119	\$1,834	\$2,017	\$2,259
Eating & Drinking Places	\$1,460	\$1,606	\$1,799	\$1,490	\$1,639	\$1,836	\$1,475	\$1,623	\$1,817
Apparel	\$602	\$662	\$742	\$415	\$457	\$511	\$509	\$559	\$626
Furniture & Household Furnishings	\$355	\$391	\$437	\$210	\$231	\$259	\$283	\$311	\$348
Appliances & Electronics	\$420	\$462	\$517	\$207	\$228	\$255	\$314	\$345	\$386
Lumber, Building Materials	\$958	\$1,054	\$1,180	\$435	\$1,023	\$1,146	\$944	\$1,038	\$1,163
Drug Stores	\$1,039	\$1,143	\$1,280	\$479	\$479	\$536	\$737	\$811	\$908
Miscellaneous Retail Stores	\$1,039	\$1,143	\$1,280	\$805	\$886	\$992	\$922	\$1,014	\$1,136
Sporting Goods	\$125	\$138	\$154	\$101	\$111	\$124	\$113	\$124	\$139
Book Stores	\$102	\$112	\$126	\$80	\$88	\$99	\$91	\$100	\$112
Pet Stores	\$84	\$92	\$103	\$64	\$70	\$79	\$74	\$81	\$91
Office Supply Stores	\$49	\$54	\$60	\$48	\$53	\$59	\$49	\$53	\$60
Liquor stores	\$78	\$86	\$96	\$69	\$76	\$85	\$74	\$81	\$91
Movie Theaters	\$52	\$57	\$64	\$48	\$53	\$59	\$50	\$55	\$62



Table 4.7

**Total Retail Expenditure Potential, Market Penetration and Sales Volume by Retail Category  
2015, 2020 and 2025**

Retail Category	Total Retail Potential			Market Penetration			Sales Volume		
	2015	2020	2025	2015	2020	2025	2015	2020	2025
<b>General Merchandise</b>									
Primary	\$16,250,760	\$18,059,844	\$23,035,492	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$49,327,895	\$54,655,026	\$62,140,375	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$65,578,655	\$72,714,870	\$85,175,867	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Food Stores</b>									
Primary	\$19,302,732	\$21,451,571	\$27,361,670	10.0%	10.0%	10.0%	\$1,930,273	\$2,145,157	\$2,736,167
Secondary	\$84,254,200	\$93,353,172	\$106,138,476	1.0%	1.0%	1.0%	\$842,542	\$933,532	\$1,061,385
Total	\$103,556,932	\$114,804,743	\$133,500,146	2.7%	2.7%	2.8%	\$2,772,815	\$3,078,689	\$3,797,552
<b>Eating &amp; Drinking Places</b>									
Primary	\$14,467,140	\$16,077,666	\$20,507,207	36.0%	36.0%	36.0%	\$5,208,170	\$5,787,960	\$7,382,594
Secondary	\$72,987,650	\$80,869,899	\$91,945,540	18.0%	18.0%	18.0%	\$13,137,777	\$14,556,582	\$16,550,197
Total	\$87,454,790	\$96,947,565	\$112,452,747	21.0%	21.0%	21.3%	\$18,345,947	\$20,344,542	\$23,932,792
<b>Apparel</b>									
Primary	\$5,965,218	\$6,629,284	\$8,455,711	21.0%	21.0%	21.0%	\$1,252,686	\$1,392,150	\$1,775,699
Secondary	\$20,328,775	\$22,524,167	\$25,608,993	9.0%	9.0%	9.0%	\$1,829,590	\$2,027,175	\$2,304,809
Total	\$26,293,993	\$29,153,451	\$34,064,704	11.7%	11.7%	12.0%	\$3,082,286	\$3,419,325	\$4,080,509
<b>Furniture &amp; Household Furnishings</b>									
Primary	\$3,517,695	\$3,909,296	\$4,986,341	10.0%	10.0%	10.0%	\$351,770	\$390,930	\$498,634
Secondary	\$10,286,850	\$11,397,771	\$12,958,767	1.0%	1.0%	1.0%	\$102,869	\$113,978	\$129,588
Total	\$13,804,545	\$15,307,067	\$17,945,109	3.3%	3.3%	3.5%	\$454,638	\$504,907	\$628,222
<b>Appliances &amp; Electronics</b>									
Primary	\$4,161,780	\$4,625,082	\$5,899,333	17.0%	17.0%	17.0%	\$707,503	\$786,264	\$1,002,887
Secondary	\$10,139,895	\$11,234,946	\$12,773,642	7.0%	7.0%	7.0%	\$709,793	\$786,446	\$894,155
Total	\$14,301,675	\$15,860,028	\$18,672,976	9.9%	9.9%	10.2%	\$1,417,295	\$1,572,710	\$1,897,042
<b>Home Improvement</b>									
Primary	\$9,492,822	\$10,549,592	\$13,456,099	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$45,556,050	\$50,475,843	\$57,388,827	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$55,048,872	\$61,025,435	\$70,844,926	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Drugs Stores</b>									
Primary	\$10,295,451	\$11,441,572	\$14,593,827	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$21,308,475	\$23,609,669	\$26,843,161	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$31,603,926	\$35,051,240	\$41,436,988	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Miscellaneous Retail Stores</b>									
Primary	\$10,295,451	\$11,441,572	\$14,593,827	35.0%	35.0%	35.0%	\$3,603,408	\$4,004,550	\$5,107,840
Secondary	\$39,432,925	\$43,691,456	\$49,675,275	2.0%	2.0%	2.0%	\$788,659	\$873,829	\$993,505
Total	\$49,728,376	\$55,133,027	\$64,269,102	8.8%	8.8%	9.5%	\$4,392,066	\$4,878,379	\$6,101,345
<b>Sporting Goods</b>									
Primary	\$1,238,625	\$1,376,513	\$1,755,754	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$4,947,485	\$5,481,785	\$6,232,550	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$6,186,110	\$6,858,298	\$7,988,304	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Book Stores</b>									
Primary	\$1,010,718	\$1,123,234	\$1,432,695	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$3,918,800	\$4,342,008	\$4,936,673	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$4,929,518	\$5,465,242	\$6,369,369	0.0%	0.0%	0.0%	\$0	\$0	\$0

Table 4.7

Total Retail Expenditure Potential, Market Penetration and Sales Volume by Retail Category  
2015, 2020 and 2025

Retail Category	Total Retail Potential			Market Penetration			Sales Volume		
	2015	2020	2025	2015	2020	2025	2015	2020	2025
<b>Pet Stores</b>									
Primary	\$832,356	\$925,016	\$1,179,867	40.0%	40.0%	40.0%	\$332,942	\$370,007	\$471,947
Secondary	\$3,135,040	\$3,473,606	\$3,949,339	25.0%	25.0%	25.0%	\$783,760	\$868,402	\$987,335
Total	\$3,967,396	\$4,398,623	\$5,129,205	28.1%	28.2%	28.5%	\$1,116,702	\$1,238,408	\$1,459,281
<b>Office Supply Stores</b>									
Primary	\$485,541	\$539,593	\$688,256	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$2,351,280	\$2,605,205	\$2,962,004	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$2,836,821	\$3,144,798	\$3,650,260	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Other Miscellaneous Stores</b>									
Primary	\$772,902	\$858,944	\$1,095,590	50.0%	50.0%	50.0%	\$386,451	\$429,472	\$547,795
Secondary	\$3,379,965	\$3,744,982	\$4,257,881	30.0%	30.0%	30.0%	\$1,013,990	\$1,123,495	\$1,277,364
Total	\$4,152,867	\$4,603,926	\$5,353,471	33.7%	33.7%	34.1%	\$1,400,441	\$1,552,966	\$1,825,159
<b>Movie Theaters</b>									
Primary	\$515,268	\$572,629	\$730,394	0.0%	0.0%	0.0%	\$0	\$0	\$0
Secondary	\$2,351,280	\$2,605,205	\$2,962,004	0.0%	0.0%	0.0%	\$0	\$0	\$0
Total	\$2,866,548	\$3,177,834	\$3,692,398	0.0%	0.0%	0.0%	\$0	\$0	\$0
<b>Total</b>	<b>\$459,477,343</b>	<b>\$509,423,729</b>	<b>\$594,247,141</b>	<b>6.5%</b>	<b>6.5%</b>	<b>6.7%</b>	<b>\$32,982,191</b>	<b>\$36,589,926</b>	<b>\$43,721,901</b>

Once the anchor restaurant is secured the focus should be upon traditional boutique retailers, specialty stores, convenience goods stores, household accessory stores, miscellaneous retail stores and professional service providers. A discussion of each retail category is presented below.

◆ ***General Merchandise***

The *General Merchandise* category does not represent an opportunity given the land requirements for a big box discount department store. We do not envision a conventional department store or discount department store on the Subject Site. Also, the proximity to Southridge Mall limits the market potential in this category. Sales were not disclosed in this category in the Economic Census of Retail Trade.

◆ ***The Food Category***

The *Food* category currently has a high level of market penetration in Franklin. There is already a Pick N' Save Grocery store on Rawson Avenue which is capturing sales in this category. The Economic Census of Retail Trade did not disclose sales in the *Food* category. Sales potential in this category amounts to over \$2.7 million in 2015 and \$3.0 million in 2020 and \$3.7 million in 2025. We envision an 1,800 to 4,000 square foot convenience store to serve the new residential tenants and visitors to Ballpark Commons. Some potential grocery stores that could meet market demand in this category include 7-Eleven, AM PM mini mart, liquor store, or an independent convenience store.

◆ ***The Eating & Drinking Category***

Franklin could improve market penetration in the *Eating and Drinking* category. Franklin generated \$27.4 million in this category in 2012. All the new residential development planned at the Ballpark Commons project will expand demand for full-service and fast casual restaurants. Sales potential in this category amounts to \$18.3 million in 2015 and \$20.3 million in 2020 and \$24.0 million in 2025. Some of the potential types of restaurants include craft might include a craft brewery restaurant, sports, bar, deli, pizza operation, theme restaurant, donuts, coffee, or bagels. We have considered the following: Buffalo Wild Wings, Cheddar's Scratch Kitchen, Blaze Pizza, Mod Pizza, Pie Five, Jimmy John's, Jersey Mike's, Firehouse Subs, Red Robin, Ruby Tuesday, Dunkin Donuts, and Starbuck's.

◆ ***Apparel & Accessory Store Category***

There are limited Apparel & Accessories stores in Franklin given the proximity to Southridge Mall. The Economic Census of Retail Trade did not disclose the sales in the *Apparel & Accessories Stores* category. This category represents an opportunity once a major anchor is secured. Sales potential amounts to \$3.0 million in 2015 and is forecast to rise to \$3.4 million in 2020 and \$4.0 million in 2025. We recommend some specialty apparel stores. This might include local independent apparel and accessories store or unique sports apparel store

◆ ***Furniture & Household Furnishings***

Most of the major *Furniture & Household* Furnishings stores are located in proximity to Southridge Mall and along 27<sup>th</sup> Street. Franklin captured \$9.6 million in this category in

2012. Obviously, we do not envision a major furniture store on the subject site given the land requirements. However, there is a market for unique household accessories stores. We forecast sales of \$454,000 rising to \$504,000 in 2020 and \$628,000 in 2025.

◆ ***Appliances & Electronics***

The 2008-2009 recession has been hard on this category. Circuit City closed, sales at Best Buy had been declining and Sears sales in this retail category declined. This category generated over \$1.0 million in sales in 2012. Sales are forecast to amount to \$1.4 million in 2015, \$1.5 million in 2020 and \$1.8 million in 2025. We envision a cellular phone store like Boost Mobile, Metro PCS, Verizon, Sprint, US Cellular, and AT&T.

◆ ***Home Improvement***

This category includes Lumber, Building Materials, Hardware, and Garden Supplies. Franklin generated over \$83 million in sales in this category in 2012. We do not envision a hardware store in the project. There is already an Ace Hardware in Franklin on 76<sup>th</sup> Street and Home Depot and Menards are already serving the trade area. True Value does not have any stores in the trade area.

◆ ***Drug Stores***

The *Drug Store* category does not currently represent an opportunity on the subject site. The Health and Beauty category generated \$37.5 million in Franklin in 2012. Walgreens operates a store on Loomis in close proximity to the site and CVS operates a store on Lover's Lane. We do not recommend a drug store as part of the project unless it is a relocation of Walgreens or CVS.

◆ ***Miscellaneous Retail Stores***

The *Miscellaneous Retail Stores* category captured sales of \$11.6 million in 2012. We estimate that sales in this category amount to an estimated \$4.3 million in 2015, \$4.8 million in 2020 and to \$6.1 million in 2025.

◆ ***Sporting Goods***

The *Sporting Goods* category generated over \$10 million in sales in Franklin in 2012. This also includes hobby stores and books stores. Sports Authority recently declared bankruptcy and will be closing all 450 stores around the country. We would only recommend a baseball memorabilia store, jersey store, or unique baseball-related specialty store.

◆ ***Book Stores***

We do not envision a book store on the Subject Site given the Barnes & Noble location on 76<sup>th</sup> Street in Greenfield, the bankruptcy of Border's Books and the changes in technology affecting brick and mortar book stores. The Sporting Goods, Hobby and Book Store category generated \$10 million in Franklin in 2012.

◆ ***Pet Stores***

The Pet Store category represents an opportunity given that no sales were generated in this category in Franklin. In 2015, we estimate the sales in this category would amount to an

estimated \$1.1 million and in 2015. Sales are forecast to increase to \$1.2 million in 2020 and \$1.4 million in 2025. We recommend the addition of an independent Pet Store to enhance market penetration in this category.

◆ ***Office Supply Stores***

Office Max currently operates a store on Howell Avenue in Oak Creek. Office Depot closed the store on 76<sup>th</sup> Street in proximity to Southridge Mall. The recent recession has forced consolidation in the office supply store category. The merger of Office Max and Office Depot has reduced the total number of stores. The office supply stores have also re-evaluated their prototypical store sizes. We do not recommend an office supply store in the project.

◆ ***Other Miscellaneous Retail Stores***

We estimate that sales in this category would amount to \$1.4 million in 2015 and to \$1.5 million in 2020 and \$1.8 million in 2025.

◆ ***Movie Theaters and Other Entertainment Facilities***

The *Movie Theater Category* is already well served in Franklin. Marcus Showtime Movie Theater in Franklin offers 12 screens with stadium seating. We do not envision a movie theater at Ballpark Commons given the land requirements. The *Movie Theater* category is already well served.

**SALES FORECAST – 2015, 2020 AND 2025**

Our analysis of the potential for the Ballpark Commons site indicates that based upon current market potential, the restaurant and retail portion of the complex can expect to capture initially an estimated **in 2015 of approximately \$32 million, rising to \$36.5 million in 2020 and \$43.7 million in 2025. Our conclusions are based upon the following assumptions.**

- We have assumed the Baseball Stadium and indoor sports facilities are developed.
- We assume a mixed-use development of retail, residential, hotel and office space.
- **The proposed retail portion of the mixed-use project will support 100,000 square feet of retail and professional square footage.**
- The project must contain parking for approximately 1,100 vehicles plus 1,333 stalls for the stadium.
- The heavy orientation to theme restaurants and fast casual restaurant will require maximum parking availability and with higher parking ratios.
- We recommend more outlot development as opposed to in-line space to maximize theme restaurant and fast casual restaurant viability and sales.
- The market will support rents of \$20 to \$28 per square foot triple net.
- Fast casual restaurant rents can be supported at \$30 to \$35 per square foot triple net.

Table 4.8 presents the approximate square footage allocations for each retail category.

**Table 4.8**

**Square Footage Allocations and Estimated Sales Volumes**

<b>Category</b>	<b>Approximate Square Footage</b>	<b>Estimated Sales</b>
Department Stores	0	\$0
Food category (Grocery Stores)	4,000	\$2,800,000
Eating & Drinking category (Restaurants)	36,800	\$18,000,000
Apparel & Accessory Store category	10,000	\$3,000,000
Furniture & Household Accessories category	1,600	\$400,000
Appliance & Electronics category	2,100	\$1,400,000
Home Improvement category	0	\$0
Drug Store category	0	\$0
Miscellaneous Retail Stores category	15,000	\$3,900,000
Sporting Goods category	0	\$0
Book Stores category	0	\$0
Pet Stores category	5,000	\$1,100,000
Office Supply Store category	0	\$0
Other Miscellaneous Stores category	5,500	\$1,430,000
Professional Services	20,000	\$0
<b>TOTAL</b>	<b>100,000</b>	<b>\$32,030,000</b>

*Source: Melaniphy & Associates, Inc.*

**PROSPECTIVE TENANTS AND SQUARE FOOTAGES**

Table 4.9 presents our recommendations for the types of prospective tenants by retail category that should be targeted for the Ballpark Commons project.

Table 4.9

**Prospective Target Tenants  
Ballpark Commons**

<b>Category</b>	<b>Approximate Square Footage</b>
<b>Grocery/Convenience/Liquor</b>	
7-Eleven	4,000
AM PM Mini Mart	2,500
Cardinal Liquors	4,000
Independent Liquor Store	2,800
<b>Electronics</b>	
AT&T	1,800
Boost Mobile	1,700
Metro PCS	1,400
Spint	1,800
US Cellular	1,800
Verizon	1,800
<b>Miscellaneous Retail Stores</b>	
Corner Barkery - Pet Store	2,000
Krisers	1,500
Petco	8,000
Sports Apparel/Sports Memorabilia	1,800
<b>Restaurants</b>	
Bandana's Bar-B-Q	5,000
Buffalo Wild Wings	7,000
Cheddar's Scratch Kitchen	6,500
Chili's	6,000
Red Robin	5,500
Ruby Tuesday	5,500
World of Beer	6,000

Source: Melaniphy & Associates, Inc.

Table 4.9 (Continued)

**Prospective Target Tenants  
Ballpark Commons**

<b>Category</b>	<b>Approximate Square Footage</b>
<b>Fast Casual Restaurants</b>	
Blaze Pizza	3,200
Burger Fi	3,500
Chipotle	1,800
Cosi	3,000
Fatburger	2,600
Five Guys	4,000
Firehouse Subs	1,800
Jake's Wayback Burgers	2,000
Jersey Mike's	1,800
Jet's Pizza	4,000
Jimmy John's	1,800
Mod Pizza	3,000
Panda Express	1,800
Pie Five Pizza	1,800
Smashburger	2,200
Topper's Pizza	1,700
Which Wich	2,000
Wingstop	2,000

Source: Melaniphy & Associates, Inc.

Table 4.9 (Continued)

**Prospective Target Tenants  
Ballpark Commons**

<b>Category</b>	<b>Approximate Square Footage</b>
<b>Restaurants - Food Specialities</b>	
Dunkin Donuts	1,800
Menchie's	2,000
Nestle Tollhouse Café	1,500
Red Mango	1,600
Robeks	1,200
Starbucks Coffee	1,700
Yogurtland	1,800
<b>Professional Services</b>	
Edward Jones Insurance	2,000
Great Clips	1,400
H & R Block	2,000
Jackson Hewitt Tax Service	1,500
Nationwide Insurance	2,200
Scottrade	2,500
Sports Clips	1,800
Cleaners	2,500
CorePower Yoga	6,000
Fitness 19	7,000
Planet Fitness	12,000
PostNet	1,400
Snap Fitness	7,000

Source: Melaniphy & Associates, Inc.

**Absorption**

We anticipate with the development of the Stadium and 4-Season Sports Complex the absorption period will take only 2 years with pre-leasing to theme and fast casual restaurants.

## SECTION V

### HOTEL MARKET ANALYSIS

#### OVERVIEW

This section of the report provides a definitive analysis of the hotel overnight accommodations market in the Milwaukee Metropolitan Area. The first step in the analysis required that we review the competitive hotel inventory. The objective was to determine the current supply of hotel rooms in the Milwaukee MSA including their name, location, type, room rates, amenities provided, and overall occupancy trends. The competitive hotel inventory addresses the hotels (including modern motels) with 100 or more rooms within the Milwaukee Metropolitan Area. Our interest lies predominantly in the hotel facilities which are situated closest to the Subject Site, although an evaluation of all the market areas provides insight into market expansion and utilization.

We reviewed our competitive hotel inventory compiled from a number of sources including the American Automobile Association (AAA) Wisconsin Tour Book, the Business Journal Book of Lists, Smith Travel Research, the Visit Milwaukee Convention & Visitors Bureau, and a field reconnaissance by staff members of Melaniphy & Associates, Inc.

#### HOTEL SUPPLY

The Milwaukee Metropolitan Area currently contains approximately 100 hotels encompassing approximately 15,053 rooms. The hotel room supply in the Metropolitan Area has increased by over 50 percent in the last five years. Based upon 15,053 rooms there are approximately 5,494,345 available room nights. Furthermore, based upon an overall annual occupancy rate of 64.6 percent, there are 3,549,347 occupied room nights and 1,944,998 unoccupied room nights. During the Winter months, hotel occupancy rates in the metropolitan area decline sharply. According to Smith Travel Research, occupancy rates in the Milwaukee County hotels amounted to approximately 64.6 percent in 2015 and 65.9 percent in Downtown Milwaukee. According to Visit Milwaukee, the distribution of hotel rooms in the Milwaukee Metropolitan Area is presented on the following page in **Table 5.1**.

Table 5.1

**Milwaukee MSA Hotel Room Distribution  
2016**

<b>Area</b>	<b># of Rooms</b>	<b>% of Total</b>
Downtown	4,738	31.5%
Oak Creek	985	6.5%
Airport/South Hotels	2,399	15.9%
West Hotels	1,171	7.8%
Brown Deer Hotels	434	2.9%
Northwest Hotels	1,187	7.9%
Northeast Hotels	830	5.5%
Brookfield Hotels	2,032	13.5%
Waukesha Hotels	1,287	8.5%
<b>Greater Milwaukee MSA</b>	<b>15,053</b>	<b>100.0%</b>

*Source: Visit Milwaukee Convention & Visitors Bureau*

The table indicates the significant concentration of hotels in Downtown with over 31.0 percent of the hotels in the Metropolitan Area.

Not surprisingly, the next largest concentration of hotels is located in proximity to the General Mitchell International Airport/south hotels with nearly 16 percent of the hotel inventory. Oak Creek contains 6.5 percent of the hotels. Therefore, Oak Creek plus the Airport/South Hotels market segments contain 3,384 rooms

Interestingly, most of the new hotels added to the Milwaukee Market over the years are located in downtown or in proximity to major office concentrations and industrial parks in Milwaukee. Hotels are seen as an additional amenity offered at these business parks. A hotel is a key amenity to any high quality business park.

There are basically four segments of the hotel market including full-service, select service, extended stay, and budget/economy hotels. There have been niche segments created with suites and extended stay hotels. Some of the full-service hotels include the Hyatt, Hilton, Wyndham Garden, Sheraton, Radisson, Holiday Inn, and Ramada. The extended stay segment is served by Extended Stay America, Country Inn & Suites, Courtyard by Marriott, Marriott Residence Inn, TownPlace Suites, Mainstay Suites, and Woodfield Suites, among others. The budget/economy segment is served by Motel 6, Red Roof Inn, Super 8, Baymont, Days Inn, Excel Inn, Econo Lodge, Holiday Inn Express, and Fairfield Inn, among others.

### **HOTEL ROOM DEMAND**

In terms of hotel demand, the overall occupancy rate in the area hotels is estimated at approximately 64.6 percent. Occupancy rates declined during the recession and following the increase in hotel supply.

Despite the influx of several hotels new hotels, the occupancy rate has rebounded strongly since the recession.

Based upon our evaluation of the hotel market in the Milwaukee Metropolitan Area, we have concluded there is no immediate market for a hotel on the Subject Property at the present time. A hotel would represent an additional amenity offered at the proposed Ballpark Commons mixed-use development. The hotel would benefit from the combined visitors generated to Ballpark Commons and The Rock, estimated at over 250,000 annually. In addition, local businesses, hospitals, and others represent potential customers.

### **MARKET POTENTIAL**

We do not recommend the development of a hotel on the Subject Property initially. A hotel is a follow-on use to the successful development of the Ballpark Commons project. The market proposal for office space at Ballpark Commons will have almost no impact in creating demand for a hotel on the Subject Property. The closest principal competition is the Hampton Inn on Rawson Avenue while the next significant hotel concentration is located in Oak Creek and in proximity to General Mitchell International Airport. Interstate 94 at Rawson Avenue provides high speed limited access travel to and from the north and south components of the trading area.

The hotels range in size between 100 and 554 rooms. The basic room rates in Downtown Milwaukee range from approximately \$59.00 to \$179.00 per night. During the 1980's approximately 865 new hotel rooms were developed in Downtown Milwaukee. During that same time period, approximately 2,500 additional hotel rooms were built outside of the downtown area either in other sectors of Milwaukee or suburban sectors. Therefore, approximately three times as many hotel rooms were developed outside of the downtown area as were developed within the downtown area.

During the 1990's, approximately 26 new hotel properties were developed in the Milwaukee Metropolitan Area adding over 3,100 rooms. The hotel supply increased by approximately 90 properties bringing the total to 13,000 rooms.

A large portion of the new hotel rooms built outside of the downtown area are moderately-priced, select service facilities. There are exceptions primarily in the Brookfield area. Also most of the moderately-priced facilities are around 100 rooms. The better known and full service facilities tended to be larger (approximately 150 to 300 rooms).

The largest hotels in the market are located in Downtown with the Hilton Milwaukee City with 729 rooms followed by the Hyatt Regency with 481 rooms. The Potawatami Hotel & Casino contains 381 and the Pfister Hotel contains 307 rooms. The Doubletree by Hilton contains 243 rooms and the InterContinental Milwaukee contains 221 rooms.

The largest hotel in the Milwaukee Metropolitan Area is the Hilton Milwaukee City Center with 729 rooms. The next largest hotel development was in 1988 with the Wyndham Milwaukee Center Hotel developed with 221 rooms. Hotel Metro was a redevelopment of a former office building converted into 65 hotel rooms. A Marriott Residence Inn hotel replaced the former Marshall Field's space at the Grand Avenue Mall with approximately 131 rooms.

The increase in hotel room supply in the Milwaukee Metropolitan Area, coupled with a slowing economy had caused hotel occupancy rates to decline. The improving economy following the recession has improved occupancy rates to 64.6 percent.

Downtown Milwaukee provides the largest concentration of full service hotels. Thus, a full service hotel on the Subject Property could not be competitive. A hotel facility at the Subject Site will serve the surrounding industry, driving visitors who want free parking, consumers looking for cheaper room rates, and visitors to Ballpark Commons and The Rock, and others. Thus, a moderately-priced, select service hotel would be the most likely type of hotel to anchor the Ballpark Commons project if and when sufficient demand exists.

We recommend that a hotel facility be developed on the Subject Property, following completion of the Ballpark Commons project. We recommend the development of approximately 60 to 100 rooms. The new facility should be operated by a major hotel franchise and should be oriented to the moderately priced visitor. A shuttle should be provided to the airport to maximize occupancy.

Following completion of Ballpark Commons and stabilized attendance, we expect the facility will initially operate at 65 percent and within two years, rise to 71 percent.

#### **ABSORPTION**

The hotel will not be developed in the initial phases and will likely not be built for at least three to four years.

## SECTION VI

### OFFICE MARKET ANALYSIS

The office market analysis provides an assessment of the current supply and demand factors affecting the office market potential of the Subject Property. We have gathered data regarding the current supply of office, office occupancy rates, vacancy rates, rental rates, end users, and annual absorption. We have also examined the market for a telecom hotel on the Subject Site. The following paragraphs describe the Milwaukee Metropolitan Area office market.

#### OFFICE SPACE SUPPLY

Milwaukee Metropolitan Area currently has an office inventory of approximately 553 buildings containing 32.4 million square feet of rentable office space according to NAI MLG Commercial. Downtown Milwaukee accounts for approximately 42.5 percent this total inventory with approximately 13.8 million square feet. The Milwaukee and suburban submarkets, excluding downtown, currently contain an inventory of approximately 18.6 million rentable square feet. Overall office vacancy stands at 22.3 percent.

The overall office occupancy rate in the Milwaukee Metropolitan Area stands at approximately 77.7 percent. There is approximately 7.2 million square feet of available space resulting in a vacancy rate of 22.3 percent. Not surprisingly, Class A space has a higher occupancy rate in the Central Business District with a rate of 87.6 percent. Class A office space in the Brookfield submarket had an overall occupancy rate of approximately 81.8 percent.

Prior to the recession, average annual absorption of office space in the Milwaukee Metropolitan Area typically ranged from a high of 700,000 square feet to a low of approximately 500,000 square feet. The Central Business District was absorbing approximately 400,000 square feet of office space annually while the West Suburban Sector was absorbing approximately 300,000 to 400,000 square feet annually. In 2015, the Milwaukee Metro Office Market absorbed 107,111 square feet.

The Airport Submarket including Franklin, encompasses 28 buildings containing a total of 736,441 square feet. The Airport Office Submarket had a vacancy rate of 35% in the First Quarter of 2016 percent representing 257,728 square feet of vacant space. The Airport submarket had net absorption of 5,601 square feet and year to date absorption of negative 10,568 square feet. Table 2.1 presents the office market statistics by submarket for the Milwaukee Metropolitan Area.

Table 6.1

## Office Market Statistics by Submarket

Submarket	Building County	Total Rentable Building Area	Available Space Square Feet	Available Rate %	Net Absorption Square Feet	YTD Absorption Square Feet
<b>Downtown East</b>						
Class A	7	3,471,127	431,861	12.44%	162,405	162,405
Class B & C	45	4,313,165	961,839	22.30%	4,043	4,043
Total	52	7,784,292	1,393,700	17.90%	166,448	166,448
<b>Downtown West</b>						
Class B & C	28	3,923,448	903,872	23.04%	(24,503)	(24,503)
Total	28	3,923,448	903,872	23.04%	(24,503)	(24,503)
<b>3rd &amp; 5th Ward</b>						
Class B & C	37	2,118,513	442,107	20.87%	12,296	12,296
Total	37	2,118,513	442,107	20.87%	12,296	12,296
<b>Brookfield</b>						
Class A	4	317,225	57,806	18.22%	(451)	(451)
Class B & C	123	5,134,899	1,247,947	24.30%	(44,741)	(44,741)
Total	127	5,452,124	1,305,753	23.95%	(45,192)	(45,192)
<b>Wauwatosa</b>						
Class A	7	906,588	176,875	19.51%	8,786	8,786
Class B & C	56	2,217,096	721,757	32.55%	1,472	1,472
Total	63	3,123,684	898,632	28.77%	10,258	10,258
<b>North Shore</b>						
Class B & C	84	2,682,053	788,116	29.38%	30,571	30,571
Total	84	2,682,053	788,116	29.38%	30,571	30,571
<b>West Allis</b>						
Class B & C	34	2,209,960	245,879	11.13%	(21,519)	(21,519)
Total	34	2,209,960	245,879	11.13%	(21,519)	(21,519)
<b>Pewaukee</b>						
Class A	4	379,081	51,085	13.48%	8,391	8,391
Class B & C	42	1,557,608	341,447	21.92%	(8,559)	(8,559)
Total	46	1,936,689	392,532	20.27%	(168)	(168)
<b>Park Place</b>						
Class B & C	26	1,847,693	536,416	29.03%	2,696	2,696
Total	26	1,847,693	536,416	29.03%	2,696	2,696
<b>Airport</b>						
Class B & C	28	736,441	257,728	35.00%	(10,568)	(10,568)
Total	28	736,441	257,728	35.00%	(10,568)	(10,568)
<b>Oconomowoc/Lake Country</b>						
Class B & C	28	658,518	93,222	14.16%	441	441
Total	28	658,518	93,222	14.16%	441	441
<b>Grand Total</b>	<b>553</b>	<b>32,473,415</b>	<b>7,257,957</b>	<b>22.35%</b>	<b>120,760</b>	<b>120,760</b>

Source: NAI MLG Commercial – First Quarter 2016 Metro Milwaukee Office Market Review

### 1. Downtown Milwaukee

The overall office market is an outgrowth of the central downtown office core. The downtown office market is divided into three major submarkets the office market east of the river (Downtown East), the

office market west of the river (Downtown West), and the Third Ward/Fifth Ward. Each is discussed on the following page.

a. **Downtown/East (East of the River)**

The Downtown East submarket contains the greatest amount of total office square footage at approximately 7.7 million square feet. Downtown West contains nearly 4.0 million square feet and the Third Ward/Walker's Point contains 2.1 million square feet. Overall, the downtown market contains over 13.7 million square feet. The vacancy rate is approximately 13 percent. Although the overall occupancy rate is approximately 87 percent, Class A buildings in the downtown submarkets have an occupancy rate of 88 percent. Rental rates in the Downtown East submarket range from \$14 to \$28 per square foot gross.

The two downtown office submarkets vary significantly in their occupancy rates. Within the Downtown East submarket, the overall occupancy rate stood at approximately 87 percent while the Downtown West submarket recorded an occupancy rate of only 77 percent. Historically, the occupancy rate has been substantially higher in the East of the River submarket because it is the financial district of Downtown Milwaukee. The Downtown West submarket has lacked the prestige associated with the Downtown East submarket and as a result has lower occupancy rates and rental rates.

b. **Downtown West (West of the River)**

The Downtown West office submarket consists of Class B and C buildings encompassing a total of approximately 4.0 million square feet. The vacancy rate in the Downtown West submarket stands at approximately 23 percent.

c. **Third Ward/Walker's Point**

The Third Ward/Walker's Point office submarket contains approximately 2.1 million square feet of office space comprised mostly with Class B and C buildings. There is approximately 442,107 square feet of vacant office space in this submarket resulting in a vacancy rate of 20 percent. Rental rates in this submarket range from \$8 to \$16 per square foot gross.

2. **North Shore**

The North Shore Market office submarket includes the communities of Bayside, Brown Deer, Fox Point, Glendale, Lower East Side, Menomonee Falls, Mequon, Park Place, and Shorewood. The North Shore office submarket contains approximately 2.6 million square feet. The North Shore Market segment has over 788,000 square feet of vacant space resulting in a vacancy rate of over 209 percent. Rental rates in the northeast section range from \$10 to \$20 per square foot gross.

3. **Airport**

The Airport office submarket is comprised of the Airport Area, Franklin, Hales Corners, Oak Creek, and Southridge. The Airport office submarket contains 736,441 square feet. The Airport office segment

contains approximately 258,000 square feet of vacant office space. The vacancy rate is approximately 35 percent. Rental rates in the southeast segment of this submarket range from \$12 to \$17.50 gross.

#### 4. Brookfield

The Brookfield office submarket is the largest office concentration outside of the Central Business District in the Milwaukee Metropolitan Area with over 5.4 million square feet of rentable office space. The occupancy rate in Brookfield is approximately 76 percent with over 1.3 million square feet of vacant space. Thus, the vacancy rate is nearly 24 percent. The Class A space in Brookfield has a lower vacancy rate at 18.2 percent. Rental rates in Brookfield range from \$14 to \$22 per square foot gross.

#### 5. Wauwatosa

The Wauwatosa office submarket contains over 3.1 million square feet including approximately 695,000 square feet of single tenant office space. There is nearly 898,000 square feet of vacant space with a vacancy rate of over 28 percent. Rental rates range from \$12 to \$24 per square foot gross.

The disparity between lease rates for the Central Business District and the suburbs has narrowed to nearly equal rates. Thus, other tenant options besides price have become more of a factor in recent years. Class A lease rates range from \$18 to \$28 per square foot gross in Downtown Milwaukee and \$18 to \$22 per square foot gross in the suburbs. The slowing manufacturing sector and declining economic indicators depressed occupancy rates significantly during the recession but have improved. However, the lack of demand and more stringent pre-leasing requirements from the lenders have reduced the amount of overbuilding.

Average annual absorption of office space in the Milwaukee Metropolitan Area prior to the recession typically ranged from a high of 700,000 square feet to a low of approximately 500,000 square feet. The Central Business District was absorbing approximately 400,000 square feet of office space annually while the West Suburban Sector was absorbing approximately 300,000 to 400,000 square feet annually. In 2015, the Milwaukee Metropolitan Area absorbed a total of 107,111 square feet. There was negative absorption in many of the office submarkets in 2015. There was 120,760 square feet absorbed in 2016.

The Milwaukee Metropolitan Area office market continues to push westward. Only a few years ago, Brookfield was considered the western boundary of the Milwaukee office market. However, in recent years Brookfield has lost some of their office tenants to newer buildings located further west along Interstate 94 in Waukesha, Pewaukee, and Oconomowoc, among others.

The largest single concentration of office space in the Milwaukee Metropolitan Area is located in Downtown Milwaukee. However, the West Suburban Area continues to grow their office supply. We have reviewed the historical development of office space in the Milwaukee Metropolitan Area. The data indicates that in the 1970's the major office development activity occurred in 1973 when in excess of 1.4 million square feet of office space was constructed in Downtown/East Sector of Milwaukee. It should be pointed out that the country went through a real estate recession in 1974 and 1975. As a result, no new office space was developed until the latter 1970's, and only a small amount of office space was developed until 1982. The real expansion in the office markets, however, occurred between 1983 and

1985. In 1983, approximately 550,000 square feet of office space was developed, while in 1984, the total exceeded 600,000 square feet. In 1985, approximately 800,000 square feet of office space was developed. Thus, in three years, almost 2,000,000 square feet were added to the Milwaukee market.

In 1986, the amount of new office space dropped to approximately 200,000 square feet and increased slightly in 1987 to 300,000 square feet. Nevertheless, during the 1986 to 1988 period, the space developed during 1983 to 1985 was essentially absorbed. By 1989, new office space exceeded approximately 800,000 square feet.

In 1990, approximately 495,000 square feet of space was constructed in the metro area much of the space in the West Suburban Area. In 1991, 200,000 square feet was developed. In 1992, approximately 470,000 square feet of office space was constructed, while 50,000 square feet was developed in 1993. Another 180,000 square feet of office space was constructed in 1994. The later part of the 1990's witnessed significant office development with the roaring economy. In 1999, over 1.0 million square feet of office space was constructed. By the end of 2000, approximately 1.9 million square feet of office space was in various stages of development. In 2001, approximately 1.0 million square feet of new office space was developed. In 2002, approximately 800,000 square feet of new space was developed. The directional growth pattern of office development has been predominantly west along the Interstate 94 corridor. There was virtually no new office space developed from 2009 through 2015.

**The City of Franklin contains 216,409 square feet of multi-tenant office space with 114,170 square feet vacant. Thus, Franklin's vacancy rate is over 52 percent. Rental rates range from \$9.00 to \$20.50 per square foot triple net.**

### OCCUPANCY

The Milwaukee Metropolitan Area office market has been improving following the recession. The overall office occupancy rate in the Milwaukee Metropolitan Area stands at approximately 77.6 percent. There is approximately 7.2 million square feet of available space resulting in a vacancy rate of 22.3 percent. Not surprisingly, Class A space has a higher occupancy rate in the Central Business District with a rate of percent. Class A office space in the West Suburban submarket had an overall occupancy rate of approximately 87.6 percent. The strong overbuilding in the late 1980's, 1990's and prior to 2009 flooded the market with new office space and has precluded any new office development for some time.

The disparity between lease rates for the Central Business District and the suburbs has narrowed to nearly equal rates. Thus, other tenant options besides price have become more of a factor in recent years. Class A lease rates range from \$18 to \$28 per square foot gross in Downtown Milwaukee and \$18 to \$22 per square foot gross in the suburbs. The slowing manufacturing sector and declining economic indicators is depressing occupancy rates slightly. In 1999, approximately 1.5 million square feet of office space was completed or under construction adding large blocks of space to the market. However, more stringent pre-leasing requirements from the lenders have reduced the amount of overbuilding.

**A. Office Absorption (Demand)**

Depending upon whose figures are utilized, average annual absorption of office space in the Milwaukee Metropolitan Area typically ranged from a high of 700,000 square feet to a low of approximately 500,000 square feet prior to the recession. The Central Business District was absorbing approximately 400,000 square feet of office space annually while the West Suburban Sector was absorbing approximately 300,000 to 400,000 square feet annually.

**B. Planned and Proposed Office Development**

The Milwaukee Metropolitan Area office market continues to push westward. In the 1990's Brookfield was considered the western boundary of the Milwaukee office market. However, since that time Brookfield has lost some of their office tenants to newer buildings located further west along Interstate 94 in Waukesha, Pewaukee, and Oconomowoc, among others. The recession has curtailed any new speculative office development. There are no new major office buildings planned within the trade area.

**C. The Market for Office Space**

The largest single concentration of office space in the Milwaukee Metropolitan Area is located in Downtown Milwaukee. We have reviewed the historical development of office space in the Milwaukee Metropolitan Area. The data indicates that in the 1970's the major office development activity occurred in 1973 when in excess of 1.4 million square feet of office space was constructed in Downtown/East Sector of Milwaukee. It should be pointed out that the country went through a real estate recession in 1974 and 1975. As a result, no new office space was developed until the latter 1970's, and only a small amount of office space was developed until 1982. The real expansion in the office markets, however, occurred between 1983 and 1985. In 1983, approximately 550,000 square feet of office space was developed, while in 1984, the total exceeded 600,000 square feet. In 1985, approximately 800,000 square feet of office space was developed. Thus, in three years, almost 2,000,000 square feet were added to the Milwaukee market.

In 1986, the amount of new office space dropped to approximately 200,000 square feet and increased slightly in 1987 to 300,000 square feet. Nevertheless, during the 1986 to 1988 period, the space developed during 1983 to 1985 was essentially absorbed. By 1989, new office space exceeded approximately 800,000 square feet.

We have analyzed the office development cycles in the metro area from 1990 to 2015. In 1990, approximately 495,000 square feet of space was constructed in the metro area much of the space in the West Suburban Area. In 1991, 200,000 square feet was developed. In 1992, approximately 470,000 square feet of office space was constructed, while 50,000 square feet being developed in 1993. Another 180,000 square feet of office space was constructed in 1994. The later part of the 1990's witnessed significant office development with the roaring economy. In 1999, over 1.0 million square feet of office space was constructed. By the end of 2000, approximately 1.9 million square feet of office space was in various stages of development. In 2001, approximately 1.0 million square feet of new office space has been proposed. There is approximately 800,000 square feet of new space proposed in

the West Suburban Office market. The directional growth pattern of office development has been predominantly west along the Interstate 94 corridor.

The demand for office space in the Milwaukee Metropolitan Area increased along with the growth in service sector employment over the years. The declining manufacturing jobs have been replaced by service sector jobs. Service industries require more office space and thus, the expansion in service industries is expanding the demand for office space. We expect this trend to continue in the Milwaukee Metropolitan Area as it is throughout the United States. During the recession very little office space was developed.

The primary appeal of the Brookfield, Waukesha, Pewaukee, and Oconomowoc has been the excellent accessibility and a pleasant and modern office environment in a suburban setting. A similar type of office environment can be created on the Subject Property however the site lacks immediate interstate visibility or accessibility.

Office development, on the Subject Site, is a follow-on use. By this we mean that Ballpark Commons stadium and other stronger uses need to be developed first to generate activity to the site. The development of a modern, suburban-type, office complex encompassing approximately 100,000 square feet is not immediately feasible. The report prepared by Moegenburg Research, Inc. indicated the developer intends to develop office space as a follow on use. In a meeting with the developer they indicated they may move their offices to anchor the project. We do not recommend speculative office development on the subject site unless it is developed specifically for an end-user. We recommend any office development have strong pre-leasing requirements of approximately 70 percent in the redevelopment agreement with the City of Franklin prior to any construction. The site could easily accommodate a “build to suit” office project should a potential end user be identified. Any office development would have to provide modern amenities and configured with ample parking and landscaping. In our opinion, proximity to Ballpark Commons will not generate significant office demand alone.

#### **D. Absorption**

The Milwaukee Metropolitan Area absorbed 107,111 square feet of office space in 2015. Many of the office market segments experienced negative absorption including the Airport submarket, Downtown West, North Shore, Oconomowoc/Lake County and Pewaukee. The Downtown East office market segment absorbed 95,554 square feet while Brookfield absorbed 101,990 square feet.

Interestingly, one of the more recent phenomena has been large companies relocating their employees from suburban office campus back to downtown to attract the millennial workforce. In the Chicago Area for example, numerous companies are moving their workforce to Downtown Chicago. Some have sold or are in the process of selling their suburban office campuses. Some of the Chicago Area companies participating in this trend include McDonald’s, Beam Suntory, Allstate Insurance, United Airlines, Kraft Heinz, Hillshire Brands, Walgreens and AT&T, among others. The millennials apparently like to live and work in the Downtown Area and several companies have relocated their offices to recruit millennials. This corporate relocation trend has not been a major factor in Milwaukee to date but we expect this may occur in the near future.

We do not recommend speculative office development at the Ballpark Commons project. The proposed Ballpark Commons office component will require significant pre-leasing to reduce the absorption period. We do not expect the office component to be built for at least three years until after the stadium and 4-season sports complex are up and operating. The Franklin office market contains 216,409 square feet of office space in 8 buildings. The current vacancy rate is over 52 percent with 114,170 square feet of vacant space and limited absorption. The absorption period for 120,000 square feet of office space could extend for five to 7 years given recent absorption trends. The office project should not move forward without a pre-leasing threshold of 70 percent.

## SECTION VII

### SPORTS STADIUM ANALYSIS

#### OVERVIEW

Our analysis of the proposed Ballpark Commons mixed-use development thus far has focused upon the retail, office, hotel and apartment segments of the market. As part of the assignment we have reviewed comparable situations (i.e. stadiums in proximity to mixed use developments or individual types of uses). We have obtained information regarding compatibility and possible conflicts, if they exist. We have also conducted an examination of the need for governmental financial assistance.

Government has been known to spend large amounts of public money to host sporting events or attract professional sports teams to their communities in an effort to attract all the spin off benefits in terms of tourism, retail sales taxes, hotel taxes, entertainment taxes and other economic benefits. Between 2000 and 2009, 31 major league stadiums and arenas opened across the United States at a public cost of approximately \$8 billion. Some of these facilities were built to attract new teams however, the majority were replacement facilities for existing teams. Miller Park is one example of a new stadium being built to replace the old Milwaukee County Stadium facility. The average cost of a new football or baseball stadium is over \$500 million while the average cost of a basketball or hockey arena is over \$275 million. Some of the stadiums that have been built in recent years include Miller Park, Cincinnati's Cynergy Field formerly known as Riverfront Stadium. There were multiple facilities built to replace Three Rivers Stadium in Philadelphia. The Joe Louis Arena in Detroit is being replaced with a new stadium. Approximately two thirds of the cost of these new stadiums has been funded with public money.

#### COMPARABLE SITUATIONS

We have reviewed the study prepared by Johnson Consulting for the Ballpark Commons project in Franklin. The report identified frontier league stadiums in Evansville, Indiana; Florence, Kentucky, Sauget, Illinois; Joliet, IL, Avon, Ohio; Normal, Illinois, O'Fallon, Missouri; Rockford, Illinois; Schaumburg, Illinois; Marion, Illinois, Traverse City, Michigan; Washington, Pennsylvania; and Crestwood, Illinois. The stadium capacities range from a low of 2,500 to 7,365. The overall average capacity is 4,341. The capacity of the stadiums differs from the total number of seats. For example, the Boomers Stadium in Schaumburg, Illinois has the largest capacity at 7,365 and 5,665 seats. These smaller stadiums range in cost from approximately \$6 million to \$24 million.

Most of the new stadiums built in recent years have been built in mature urban areas as a replacement of an existing stadium. The capital requirements to build a new stadium are generally beyond the financial means of many smaller communities. However, some of the other stadiums have been built by municipalities, park districts, minor league teams, colleges and universities. They are typically a partnership between government, universities, colleges and private interests. In order to boost utilization and attendance many of the stadiums host a variety of events besides frontier league baseball including concerts, festivals, celebrity events, softball games, soccer leagues and charity events, among others.

The **Consol Energy Park in Washington, Pennsylvania** was cited as an example of economic development which spurred over \$100 million in developments. The Washington Crown Center represented a revitalization of an existing shopping mall. The stadium is attributed as a catalyst for the mall revitalization and subsequent 12,000 square foot museum and Pony League Baseball and Softball International Headquarters. The stadium drew approximately 130,000 fans during the season.

**Boomer's Stadium in Schaumburg, Illinois** was built in 1999 at a cost of \$18 million. The stadium is located at the southeast corner of the Elgin-O'Hare Expressway at Springinsguth Road (adjacent to Schaumburg Metra Station). The project was a partnership between the Schaumburg Park District and the Village of Schaumburg in an effort to provide more entertainment in the Village and draw visitors to the community. The Village of Schaumburg issued 15-year general obligation bonds and the Park District agreed to reimburse the Village each year for 50 percent of the debt payment. Reportedly, Boomer's Stadium attracted an average 2,760 fans per game in 2012 and 2013. Boomer's Stadium finished fourth in the 14-team Frontier League in attendance during that time. The Stadium offers a capacity of 7,365 fans with 5,665 fixed seats. There are also 16 luxury suites, 200 outfield bleacher seats and an additional 900 fans can be accommodated in the lawn area along both foul lines. The Schaumburg Club located on the first base side of the suite level features restaurant style seating complete with a full bar and glass-enclosed viewing of the game and is also available for private parties and banquets year round. Boomer's Stadium has numerous corporate partners including Meijer, Dick's Sporting Goods, Dunkin Donuts, Miller Lite, Country Financial, AmeriCnn, and Arlington Racecourse, among many others. The corporate partners can add to the overall viability of the stadium. Boomer's Stadium in Schaumburg, Illinois also hosts a number of events involving motor vehicles in the stadium parking lot. In 2013, the total attendance at the facility was 175,000.

The **Corn Crib in Normal, Illinois** is a 4,300 fixed seat stadium with berm seating along the outfield wall for approximately 4,000 and 11 luxury suites which each seat 25 people. There is also a double suite that serves as a party suite. The \$10 million stadium was built in 2010 and funded by a number of entities including \$5.0 million from the Normal Cornbelters team, \$3.5 million from Heartland Community College, and \$1.5 million from the City of Normal. The Cornbelters raised \$1 million of their funding through an ownership share sales and the balance of \$4 million was financed. The impetus of this public/private partnership was Heartland College's objective to develop athletic facilities for which they had already raised funds. The Corn Crib Stadium has generally attracted approximately 2,527 fans per game and a total average attendance of approximately 119,628. The Stadium also hosts approximately 50 Heartland Community College events, 50-60 high school sporting events (baseball, soccer, softball), 10-15 events for a local men's baseball league, 10-12 civic events (Run Fun/Walk, Charity Run/Walk events) and 3 concerts. The Stadium has also hosted concerts which can draw up to 15,000 fans. The stadium is expected to attract approximately 175,000 patrons. Reportedly, the stadium has been a successful in large part from the local support of businesses and residents through ticket sales, luxury suites and group ticket sales. Many of the new stadiums have cited group ticket sales as critical to the success of their facilities.

The **Rock Sports Complex** attracted over 150,000 visitors annually to Franklin according to the report prepared by Moegenburg Research, Inc. In our opinion, the complex has not had a monumental impact on shopping and dining facilities in the City of Franklin. The seasonal nature of the facility even with the snowboarding operations generally provides a boost only on game days. The Rock Sports Complex can generate additional demand in various retail categories including restaurants, gas stations, convenience retail and sports-related apparel and gifts. However, the Rock has not been a major catalyst for restaurant and retail development in proximity to the complex. The seasonal restaurant on the property is the likely recipient of a high percentage of the restaurant sales. Franklin's per capita restaurant sales are not above comparable communities which would tend to substantiate that Franklin is not "importing" significant restaurant sales as a result of the Rock Sports Complex. We expect the new 4,000 seat stadium will generate a much greater economic impact on the City of Franklin.

### ECONOMIC IMPACT

There are divergent opinions of the economic impact provided by various types of stadiums and sporting events. The government of Portugal spent \$732 million to host Euro 2004, the European soccer championship tournament. Public money paid for the construction of seven new stadiums in a country about the size of the state of Indiana. Portugal's spending paled in comparison with the cost associated with the 2002 World Cup, cohosted by South Korea and Japan. To prepare for the event, various Japanese localities built 7 new stadiums and renovated 3 others at a cost of \$4.5 billion. South Korea spent \$2 billion on 10 new facilities.

Olympic spending dwarfs even these figures. The Greek government spent \$12.8 billion to hold the 2004 Summer Olympics in Athens, and the Chinese government invested over \$43 billion for the Beijing Games in 2008. This type of spending is often speculative in nature; cities take on construction projects long before they are awarded host status. Public spending on the 2002 Salt Lake City Games began in 1990 when a portion of state and local sales tax revenue was diverted to fund construction of bobsled, luge, speed skating, and ski jump facilities. Salt Lake City was not awarded the 2002 Games until 1995. The Los Angeles Coliseum (built in 1923), Chicago's Soldier Field (1924), and Cleveland's Municipal Stadium (1931) were all built with public money in failed bids to host the Olympic Games. (Los Angeles did successfully attract the 1932 Games.) These facilities all eventually played host to professional baseball or football teams.

Local governments have invested significant public funds for public stadiums and arenas in hopes of a strong economic return and all the multiplier effects of these revenues. Studies by the Cato Institute, and sports economist Andrew Zimbalist at Smith College and Dennis Coates have provided research that suggest that most stadium and arena spending comes from local metropolitan area residents. The local residents spend their entertainment dollars at local restaurants and other entertainment venues. These economists indicate that overall entertainment spending is constant. Andrew Zimbalist indicated that one should not anticipate that a team or facility by itself with increase employment or raise per capita income in a metropolitan area.

Recent spending on stadiums for top-level professional teams has generated a great deal of attention. Between 2000 and 2009, 31 major-league stadiums and arenas opened across urban America at a public cost of approximately \$8 billion. A few were built to attract new teams, but most replaced existing facilities for incumbent teams. Cincinnati's Cynergy Field (formerly called Riverfront Stadium), former home of the NFL Bengals and MLB Reds, was replaced by two new stadiums built with over \$600 million in subsidies from Hamilton County. Multiple facilities were also built to replace Three Rivers Stadium in Pittsburgh and Veterans Stadium in Philadelphia. The average cost of a football or baseball stadium built since 2000 is \$528 million. The average cost of a basketball or hockey arena built during this period is \$276 million. Public money has typically covered about two-thirds of these costs.

Many professional sport teams have annual revenues that exceed \$100 million. Average annual revenues are approximately \$155 million in the NFL, \$130 million in MLB, \$95 million in the NBA, and \$70 million in the NHL. These numbers may seem large, but some comparisons can provide perspective. If you are enrolled in a state university, chances are that your school takes in more revenue and spends more than the closest professional sport team. For example, Portland

State University has a budget of nearly \$200 million, more than twice that of the Portland Trailblazers.

Melaniphy & Associates, Inc. prepared an economic impact study for the Chicago Cubs in 1985 which articulated the economic impact the Chicago Cubs and **Wrigley Field** have upon the Chicago economy. The Chicago Cubs threatened to leave the City of Chicago if they were not permitted to install lights at Wrigley Field for 18 night games. The study indicated the Chicago Cubs have a \$110 million economic impact on the City of Chicago in terms of payroll, ticket revenues, parking revenues, restaurants sales, sales taxes, and other revenues. There were also multiplier effects of these revenues. The restaurants and bars in proximity to Wrigley Field saw their revenues grow significantly during the approximate 80 home games. Parking revenues in the neighborhood also spiked on game days and even residents sold parking in their driveways and private property on game days. The City of Chicago would have lost a significant amount of revenue and the multiplier effect of these revenues has the Chicago Cubs relocated to a suburban location.

We have examined some of the newer large scale stadium developments and redevelopments around the country. They are as follows:

In Downtown Detroit, Michigan **The District Detroit** will be 50 blocks of thriving businesses, parks, restaurants, bars and event destinations in proximity to the new Detroit Red Wings Stadium and Ford Field and Comerica Park. It will be home to the young and the young at heart, families, new residents and long-time residents who want to be where the action is. A network of five new, mixed-use neighborhoods, featuring residential, office, retail and green spaces, will be anchored by world-class venues, whose one-of-a-kind energy is the catalyst for the uniquely vibrant character of each neighborhood. The District Detroit will be made up of a dynamic mix of sports and entertainment venues, including six world-class theaters and three multi-use sports venues – home to the Detroit Red Wings, the Detroit Tigers and the Detroit Lions.

**The District Detroit** will also feature residential, office and retail developments that link these venues into one contiguous, walkable area, where families, sports fans, entrepreneurs, job seekers, entertainment lovers and others who crave a vibrant urban setting can connect with each other and the city they love. | Welcome to the home of the Detroit Red Wings, other sports and entertainment events, concerts, family shows and community functions. Coupled with new mixed-use developments, boutique hotel, a piazza for outdoor entertainment and the Mike Ilitch School of Business, the Woodward Square neighborhood will bring a dynamic mix of entertainment and retail options. The Detroit Events Center will feature a dramatic arena bowl, proximity to the action and great sight lines. A first of its kind Via will bring traditional outdoor street experiences inside in a bold way. Shop, dine, and stroll under the sun or stars in this 61,000 square-foot, covered pedestrian walkway open to the public year round. For the first time, fans of sports and entertainment will be able to walk from one incredible venue to another through an amazing network of neighborhood streets filled with shops, restaurants and offices—a 24-hour district surrounding the Detroit Events Center, Comerica Park and Ford Field. Each team is already a draw for sports fans who travel Downtown from throughout the city, state and the world. The Sports Stadiums are the major anchors of The District Detroit and expect to drive restaurant, retail and entertainment development.

The **US Bank Stadium**, currently under construction for the Minnesota Vikings in Minneapolis, is a fixed-roof stadium under construction in the Downtown East section of Minneapolis on the site of the demolished Hubert H. Humphrey Metrodome. Once complete, U.S. Bank Stadium will serve as the home of the Minnesota Vikings of the National Football League (NFL). The Vikings played at the Metrodome from 1982 until its closure in 2013 and before that at Metropolitan Stadium in Bloomington, Minnesota from 1961 to 1981. During the 2014 and 2015 seasons, the Vikings played at TCF Bank Stadium on the campus of the University of Minnesota while the new stadium was being built. The Vikings will play the first regular season game there on September 18, 2016 against the Green Bay Packers. It will be the first fixed roof stadium built in the NFL since Ford Field, home of the Detroit Lions opened in 2002. As of March 2015, the overall budget is estimated to be \$1.061 billion, of which \$348 million is coming from the state of Minnesota, \$150 million from the city of Minneapolis and \$551 million coming from the team and private contributions.—U.S. Bank Stadium is scheduled to host Super Bowl LII on February 4, 2018, and the 2019 NCAA Final Four. On June 15, 2015, it was officially announced that U.S. Bank had acquired the naming rights to the stadium. The naming deal is worth \$220 million over 25 years. This stadium is located in the urban area of Minneapolis west of Downtown.

**SunTrust Park** is a baseball park under construction that will serve as the future home of the Atlanta Braves (MLB), located in the Cumberland area in Cobb County, Georgia, northwest Atlanta. Instead of renovating Turner Field, their current ballpark, the Braves announced on that they would leave when their lease ends after 2016 for a new stadium to be built in Cobb County.

Turner Field has been the home of the Atlanta Braves since the 1997 season. It was originally built as Centennial Olympic Stadium for the 1006 Summer Olympics then partially reconstructed as a baseball-only stadium for the 1997 baseball season, eliminating the possibility of other sporting event uses such as track and field. The stadium is owned by the Atlanta Fulton County Recreation Authority (AFCRA) and leased to the Braves, who have full control over its operations. Turner Field is a relatively new facility, being younger than 14 of Major League Baseball's other 29 stadiums, nonetheless there were numerous issues that eventually led the Braves to seek a new ballpark.

Reportedly, Turner Field needed \$350 million in renovations—\$150 million for structural upkeep and \$200 million to improve the fan experience. Braves executive vice president Mike Plant stated that capital maintenance would be much less at the new stadium. While Turner Field was designed from the ground up with the Braves in mind, Plant said that it requires higher capital maintenance costs because it was value engineered for the 1996 Summer Olympics. This has led to higher capital maintenance costs in the long run. Plant estimates that capital maintenance costs at the new stadium will be no more than \$80 million after 30 years – less than half of the \$150 million in capital maintenance needed for Turner Field after 17 years.

Braves executives have said growing transportation issues have made it difficult for fans to come to games. Also, Turner Field is currently under-served by about 5,000 parking spaces. Turner Field is 0.75 miles (1.21 km) from the nearest Metropolitan Atlanta Rapid Transit (MARTA) train station. Although MARTA runs a shuttle service on game days, the Braves claim that fans have been unwilling to come to games in recent years due to metro Atlanta's infamous congestion. The Braves also have said that parking around the stadium is inadequate. In

addition, Plant has noted the downtown location "doesn't match up with where the majority of our fans come from. Plant said that while the Braves operate Turner Field, they have no control over the commercial development around the stadium. Other baseball stadiums built in recent years have been accompanied by nearby shopping and entertainment.

The new stadium will be constructed in a public/private partnership with a project budget of \$622 million– Cobb County will contribute \$392 million. The county is raising \$368 million through bonds, \$14 million from transportation taxes, and \$10 million cash from businesses in the Cumberland Community Improvement District. The Braves will contribute the remaining \$230 million, which can be increased up to \$280 million at the team's discretion. In March 2015, a security filing from Braves owner Liberty Media allotted \$672 million for SunTrust Park and \$452 million for the surrounding mixed-use development- It adds up to a total cost of above \$1.1 billion.

The baseball stadium will occupy 15 acres of a 60-acre lot, with the remainder of the space devoted to parking, green space and mixed-use development. Although the new stadium will be over 10 miles from the nearest train station, the Braves plan to use a "circulator" bus system to shuttle fans to and from the stadium.

A pedestrian bridge that would span Interstate 285 and connect the Cobb Galleria area to SunTrust Park has been planned. In November 2014, Cobb Chairman Tim Lee said the county was still determining how it will fund construction. Plans for the bridge have changed repeatedly. The bridge was originally meant to accommodate pedestrians, bikes and a shuttle-type vehicle, but in November 2014, officials stated that it would only be open to pedestrian and bike traffic. Shuttles were ruled out to keep costs low, according to county spokesman Robert Quigley. However, in February 2015 the Cobb County Commission asked engineering firms to design a double-decker bridge over Interstate 285 that would allow a circulator bus on the top span and a pedestrian walkway on the bottom.

Commission Chairman Tim Lee had repeated assured citizens that no local tax money would be used for the construction of the bridge- However, in February 2015, Lee acknowledged during a town hall meeting that local tax dollars would help fund the bridge. When asked how much the bridge would cost, Cobb Department of Transportation Director Faye DiMassimo said the county is sticking by its \$9 million estimate. Asked if the bridge construction cost could be higher, DiMassimo said, "potentially.

There are also several new stadiums planned around the county including the following:

City of Champions Stadium – Los Angeles, California - Los Angeles Rams - 2019

Mercedes-Benz Park – Atlanta, Georgia - Atlanta Falcons - 2017

Colorado State Stadium – Fort Collins, Colorado – Colorado State Rams Football – 2017

ETSU Stadium – Johnson City, Tennessee – ETSU Buccaneers Football 2017

A recent study by Axiometrics in Chicago examined new residential apartment development in proximity to Wrigley Field and U.S. Cellular Field in Chicago. The study concluded apartment rent growth in proximity to U.S. Cellular Field led the metro Chicago area for the second straight

month with 7.1 percent rent growth. The Belmont to Montrose submarket which includes Wrigley Field was second with 6.6 percent growth in rents. The study correlated the rent growth with the proximity to these two stadiums.

In our opinion, the viability of other economic development initiatives in proximity to a stadium is determined solely by location, location, location. The SunTrust Park stadium in Cobb County is an example of an interstate location along Interstate 285 in a rapidly growing area in proximity to the existing Cobb Galleria retail complex. The ability to develop successful retail, office, hotels and entertainment facilities comes down to the location and the socioeconomic characteristics to support those facilities. The stadium alone cannot support retail, restaurant and hotel facilities on a day to day basis given the generation of only 100,000 to 200,000 visitors annually. A restaurant for example can locate adjacent to a regional mall that may generate anywhere from 5 to 20 million visitors annually. The Boomer's Stadium in Schaumburg, Illinois for example has almost no retail or restaurant development in proximity to the Stadium given its location within a few miles of Woodfield Mall which is one of the largest malls in the country. The proposed Ballpark Commons project does offer a good location at the intersection of three major arterials with close proximity to Interstate 94, General Mitchell International Airport, Downtown Milwaukee and business and industrial parks. The Ballpark Commons project will provide another reason for consumers to visit Franklin and patronize Franklin's restaurants, retailers, hotels and professional service facilities.

**ADDENDA**

## REPRESENTATIVE LIST OF CLIENTS

### MAJOR DEVELOPERS AND OWNERS

U.S.X. Realty Development Corp.  
Simon Property Group, Inc.  
The Rouse Company  
Upland Industries (Union Pacific RR)  
Corrigan Properties, Inc.  
Merrill Lynch Realty  
Hamilton Partners  
Gerald D. Hines Interests  
Forest City Enterprises  
Western Development Corporation  
Bircher Realty Advisors  
Avatar Properties, Inc.  
CMC Heartland Partners  
The Harlan Group  
Steiner + Associates, Inc.  
McCaffery Interests, Ltd  
Aetna Investment Group  
Red Seal Development  
Teachers Insurance and Annuity Assoc.  
Metropolitan Real Estate Co.  
Trammell Crow Company  
Westfield Corporation  
Unocal Corporation

### CITIES

New York, New York  
Brookfield, Wisconsin  
Madison, Wisconsin  
Milwaukee, Wisconsin  
West Bend, Wisconsin  
San Antonio, Texas  
Charleston, West Virginia  
Cleveland, Ohio  
Boston, Massachusetts  
Denver, Colorado  
Lawrence, Kansas  
Olathe, Kansas  
Manhattan, Kansas  
Addison, Illinois  
Arlington Heights, Illinois  
Barrington, Illinois  
Bensenville, Illinois  
Chicago, Illinois  
Franklin Park, Illinois  
Glen Ellyn, Illinois  
Glenwood, Illinois  
Highland Park, Illinois  
Joliet, Illinois  
Northbrook, Illinois  
St. Charles, Illinois

### MAJOR RETAILERS

Marshall Field & Company  
Saks Fifth Avenue  
Sears, Roebuck & Company  
J.C. Penney Company  
Montgomery Ward & Company  
Macy's  
Marshalls  
The Jewel Companies  
Cub Foods  
F.A.O. Schwarz  
John Wanamaker Company  
Dayton Hudson Company  
Neiman Marcus  
Meijer  
Target  
Wal-Mart  
Woodman's Food Markets

### INTERNATIONAL RETAILERS

Escada House of Fashion  
El Puerto de Liverpool  
Fabricas de Francia  
Capitol Supermarkets

### FINANCIAL ORGANIZATIONS

Bank America  
Crédit Agricole  
First National Bank of Chicago  
Harris Trust & Savings Bank  
Northern Trust & Savings Bank  
Illinois National Bank  
United Realty Bank  
G.E. Capital Corp.  
First National Bank of Ottawa, Illinois  
Heller Financial  
Household Commercial  
The RREEF Funds  
Huizenga Capital Management

### RESTAURANTS/FAST FOOD

Lettuce Entertain You Enterprises  
Schwartz Brothers  
Levy Enterprises  
Restaurant Associates  
Arby's  
Sir Walter Raleigh Inns  
Shoney's  
Friendly's  
Pepe's

**MELANIPHY & ASSOCIATES, INC.**

## REPRESENTATIVE LIST OF CLIENTS

### CITY OF CHICAGO PROJECTS

Neighborhood Needs Analysis-  
All of Chicago's Neighborhoods  
Analysis of over 25 Business Districts  
Industrial Park Development Analysis  
Potential for a New Stadium  
Mayor's Special Projects  
Waste Resource Recovery Analysis  
O'Hare International Airport Expansion  
Housing Development on Urban  
Renewal Properties  
Objectives Analysis-Economic  
Development Commission  
Analysis of Property Disposition-  
Chicago Board of Education  
Navy Pier-Metropolitan Pier and  
Exposition Authority

### MANUFACTURERS/PRODUCERS

W.W. Grainger  
Atlantic Richfield Company  
ITW/Magnaflux  
TDW/Hercules Tires  
International Multifoods  
IBM  
Iowa Electric (IE) Industries  
William C. Brown Group  
Booth Fisheries  
Campbell Soup Company  
Griffith Laboratories  
Mobil Oil  
Texaco  
Standard Oil  
Dresser Industries  
Thomas Steel Corporation

### INTERNATIONAL INVESTMENT FUNDS

Ivanhoe, Inc. (Steinbergs of Canada)  
Coast Investment & Development  
Company-Kuwait  
Merrill Lynch Capital Markets

### HOTELS

Baymont Inn  
Hyatt  
Sheraton  
Holiday Inn  
Marriott  
Embassy Suites  
Days Inn

### RESTAURANTS/FAST FOOD (Continued)

Burger King  
Piccadilly Cafeterias  
Oogie's Restaurants  
Steak and Stein  
Brennan's  
Branmor's Grill  
Marriott Corporation  
Popeye's  
Hardee's  
Pizza Hut  
Wendy's

### SPECIAL

Ziebart  
National Restaurant Association  
International Council of  
Shopping Centers  
Fitness Management Corp.  
Catholic Archdiocese of Chicago  
Illinois Masonic Medical Center  
Ameritech  
Chicago Cubs  
U.S. Postal Service  
Illinois Law Enforcement Commission  
Santa Fe Railroad  
United Parcel Service  
Chicago Northwestern Railroad  
Hammond Railroad Consolidation  
Project

### STATES

IL Dept. of Transportation  
IL Capital Development Board  
IL Dept. of Commerce and  
Community Affairs  
Iowa Dept. of Transportation  
IN Dept. of Transportation  
MI Dept. of Transportation  
WI Dept. of Transportation

### WATERFRONT PROJECTS

Navy Pier-Chicago  
North Coast Harbor-Cleveland, Ohio  
Miami Beach Marina Redevelopment

**MELANIPHY & ASSOCIATES , INC.**

6348 N. Milwaukee Avenue # 198  
Chicago, Illinois 60646-3744  
Phone 773-467-1212 Facsimile 773-774-0454

[www@melaniphy.com](http://www@melaniphy.com)

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