



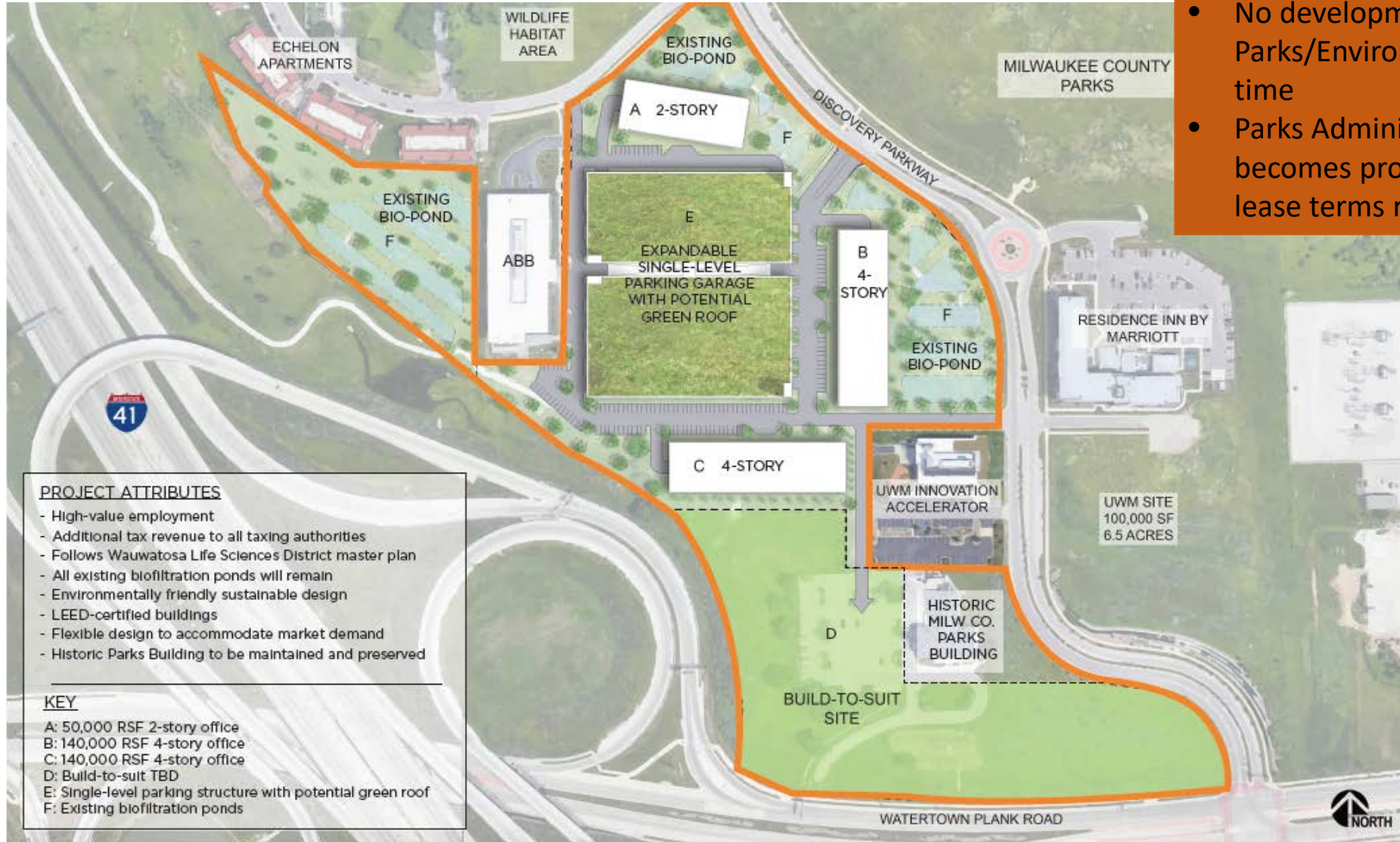
UWM Innovation Campus



Proposed sale to Irgens



Proposed Site Plan



- No development planned in Parks/Environmental area at this time
- Parks Administration Building becomes property of Irgens, but lease terms remain in place

PROJECT ATTRIBUTES

- High-value employment
- Additional tax revenue to all taxing authorities
- Follows Wauwatosa Life Sciences District master plan
- All existing biofiltration ponds will remain
- Environmentally friendly sustainable design
- LEED-certified buildings
- Flexible design to accommodate market demand
- Historic Parks Building to be maintained and preserved

KEY

- A: 50,000 RSF 2-story office
- B: 140,000 RSF 4-story office
- C: 140,000 RSF 4-story office
- D: Build-to-suit TBD
- E: Single-level parking structure with potential green roof
- F: Existing biofiltration ponds





Timeline

- **2009:** Milwaukee County sells approximately 88.9 acres of property in the northwestern quadrant of the Wauwatosa Life Sciences District, known as Innovation Campus, to UW-Milwaukee Real Estate Foundation for the development of a new College of Engineering and Applied Science campus
- **2013:** UWM opens an Industry Accelerator Facility at Innovation Campus
- **May 2014:** ABB, Inc. opens its Wisconsin headquarters at Innovation Campus
- **October 2015:** Eschelon Apartments opens its first building at Innovation Campus
- **January 2017:** Residence Inn by Marriott opens its doors at Innovation Campus
- **2019:** UWM informs Milwaukee County that it will be unable to complete development of an academic research campus of the size and scope originally anticipated in the 2009 Development Agreement, and they are planning to sell the bulk of the original property, approximately 29 acres, to Irgens to be developed as a business park (retaining a smaller 6.7 acre parcel for their possible future academic use)





Proposed Amended and Restated Development Agreement

- Milwaukee County involvement in land sale is related to our existing Development Agreement with UWM
- Proposed sale replaces existing Development Agreement (2011) with a new Amended and Restated Development Agreement between Milwaukee County, UWM, and Irgens, with the following changes:
 - Developer UWM is replaced with Developer Innovation Park Development Partners (Irgens)
 - Permitted Uses limitation to academic buildings is replaced with new Permitted Use terms allowing for any use permitted by the City of Wauwatosa zoning and master plan, to allow for business park redevelopment
 - Additional Purchase Price terms replaced with new Density Payment section





County Board Approval Required

(g) “Material Alteration of the Project” shall mean (i) a 20% (twenty percent) reduction in the square footage of Phases I, II, or III of the Project, or (ii) any use of the Property that is not a Permitted Use as defined herein. Regarding Material Alteration (ii) above, Developer may not proceed without first obtaining the advance written consent of the Milwaukee County Board, unless otherwise permitted by the County Real Estate Manager in section 2.1.

- The Development Agreement between UWM Real Estate and Milwaukee County, signed February 15, 2011, in Section 1(g) specifies that “any use of the Property that is not a Permitted Use” under that Agreement requires advance written consent of the Milwaukee County Board.
- “Permitted Use(s)” are defined in Section 1(e) of that Agreement as uses limited to “educational research and technology related park” and related uses.
- Irgens’ plans for the property are to build a business park. The new proposed Development Agreement does not limit Permitted Uses.

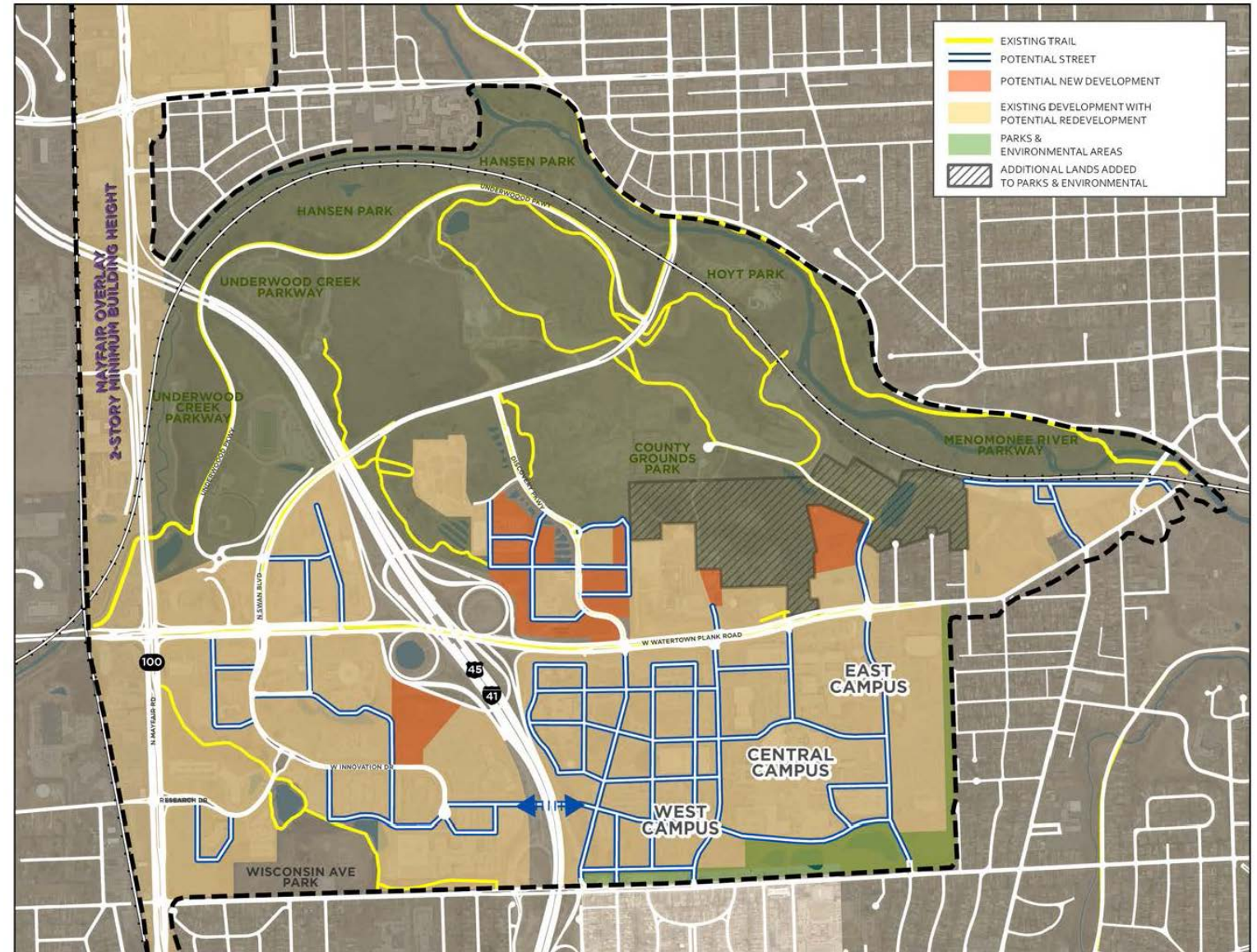




City of Wauwatosa Approval

- New Permitted Uses section allows Irgens any use permitted under Wauwatosa zoning and approved by the City of Wauwatosa
- Wauwatosa PUD (“Planned Unit Development”) zoning allows for modified uses per City approval
- Irgens planned uses align with Wauwatosa’s Life Science District Master Plan (December 2018)
- Areas identified as Parks & Environmental in Master Plan will remain protected in perpetuity

LIFE SCIENCES DISTRICT FRAMEWORK PLAN - Land Use and Road Network





“Additional Purchase Price” vs “Density Payment”

Additional Purchase Price (2011):

- Development limited to 853,271 square feet of developed space
- Any development beyond that is subject to an additional purchase price by UWM
- Additional purchase price is at least \$12/square foot, up to max. assessed value
- Additional purchase price payable upon Developer obtaining building permits for construction of additional space
- 487,830 out of the 853,271 has been developed

Density Payment (2020):

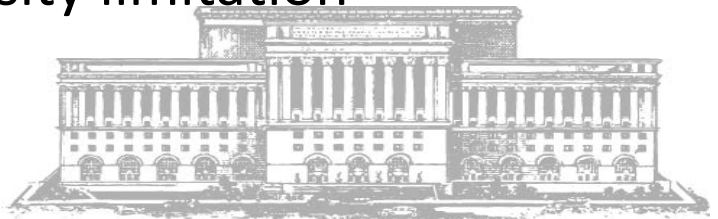
- Development limit increased to 1,053,271 square feet (adding 200,000 sq ft), with 100,000 sq ft allowed to UWM and 465,441 to Irgens
- Irgens is paying Milwaukee County an upfront payment (at closing) of \$1,000,000 (\$5/sq ft) for increase
- Any development that exceeds 465,441 for Irgens or 100,000 for UWM is subject to an additional purchase price of \$12/square foot, payable upon obtaining permits for construction of additional space





Density Payment: Guaranteed upfront payment vs potential higher price

- Original Development Agreement allows for a minimum \$12/sq ft payment; upfront payment amounts to only \$5/sq ft
- Irgens has stated that if \$12/sq ft payment were required, the development would not be financially feasible
- Upfront \$1,000,000 payment guarantees County payment, even if development never goes forward or never exceeds original development limitation
- Increasing the development limitation allows Irgens to move forward but still allows for \$12/sq ft payment if they exceed new higher density limitation





Community Benefits: Construction requirements include Targeted Business Enterprise (TBE) participation and Residential Hiring goals to benefit the community

- Original Development Agreement included no TBE, Residential Hiring, or Apprenticeship goals
- Irgens is committing to a goal of utilizing 25% TBE participation in construction projects and 17% TBE participation in professional services
- Irgens is also committing to a goal of 25% Residential Hiring for any construction projects
- Irgens will also commit to a 10% Apprenticeship goal for construction projects
- A \$25,000 compliance deposit for each building/project will help ensure this commitment





Irgens Assessment

Innovation Park Analysis	
Purchase Price to UWM	\$5,250,000
Density Payment to Milwaukee County	\$1,000,000
Total Land Cost	\$6,250,000
Estimated Environmental Cost*	\$1,150,000
All-In Land Cost	\$7,400,000
Allowable Rentable SF to be Developed	465,000
Land Cost per RSF	\$15.91

*Wauwatosa environmental remediation report performed by Symbiont indicates a potential cost of \$1,550,000 to \$3,650,000. The Sigma Group independently estimates cost for remediation of between \$510,000 and \$1,850,000 to address contamination from demolished buildings.





Irgens Experience

- 833 East Michigan Building
- A.O. Smith – Lloyd R. Smith Corporate Technology Center
- BMO Tower
- GE Healthcare Research Park
- Medical College of Wisconsin – Tosa Health Center
- Milwaukee County Research Park

Irgens is a Milwaukee-based firm.

