

Northwestern Mutual and the City of Milwaukee

Our Integral Partnership

Zoning, Neighborhoods & Development Committee
March 14, 2023



Our Tower and Commons Partnership
Revitalized Milwaukee

Northwestern Mutual Tower Construction Employs the Unemployed

APRIL 9, 2016

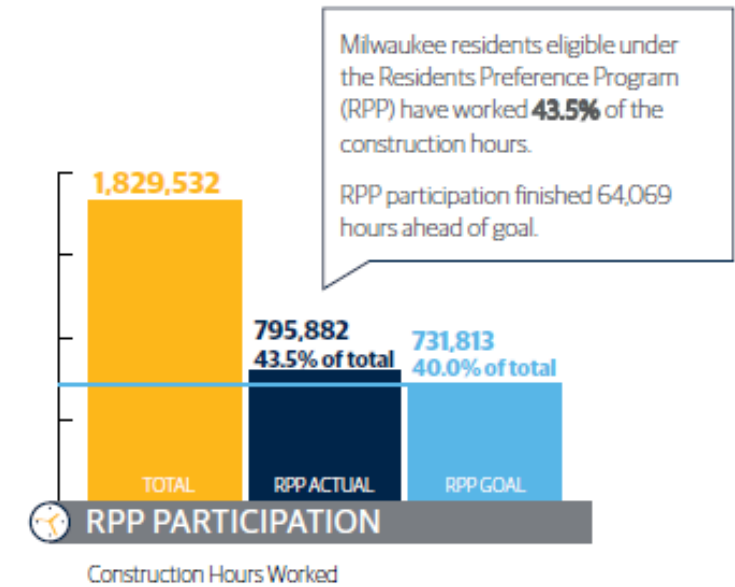
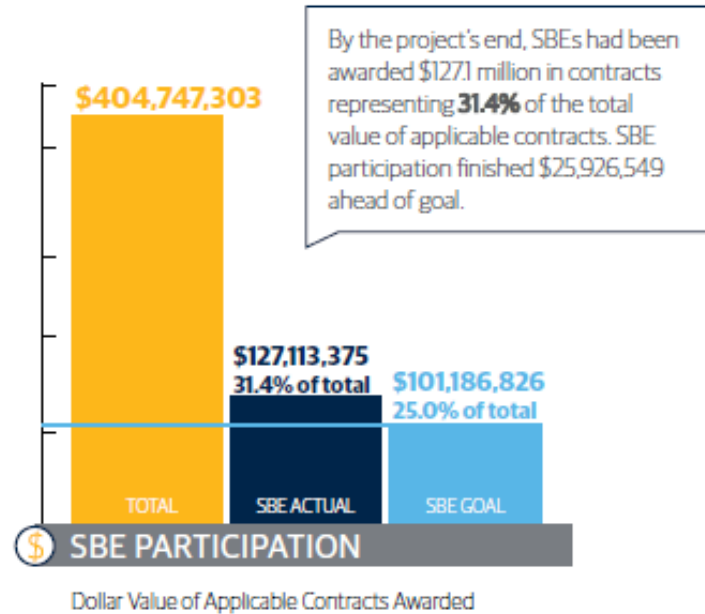
By Mrinal Gokhale



Mayor Tom Barrett meets some of the Milwaukee construction contractors that assemble the Northwestern Mutual curtain wall in the Century City warehouse. By Mrinal Gokhale.

Set a new standard
for driving local
employment

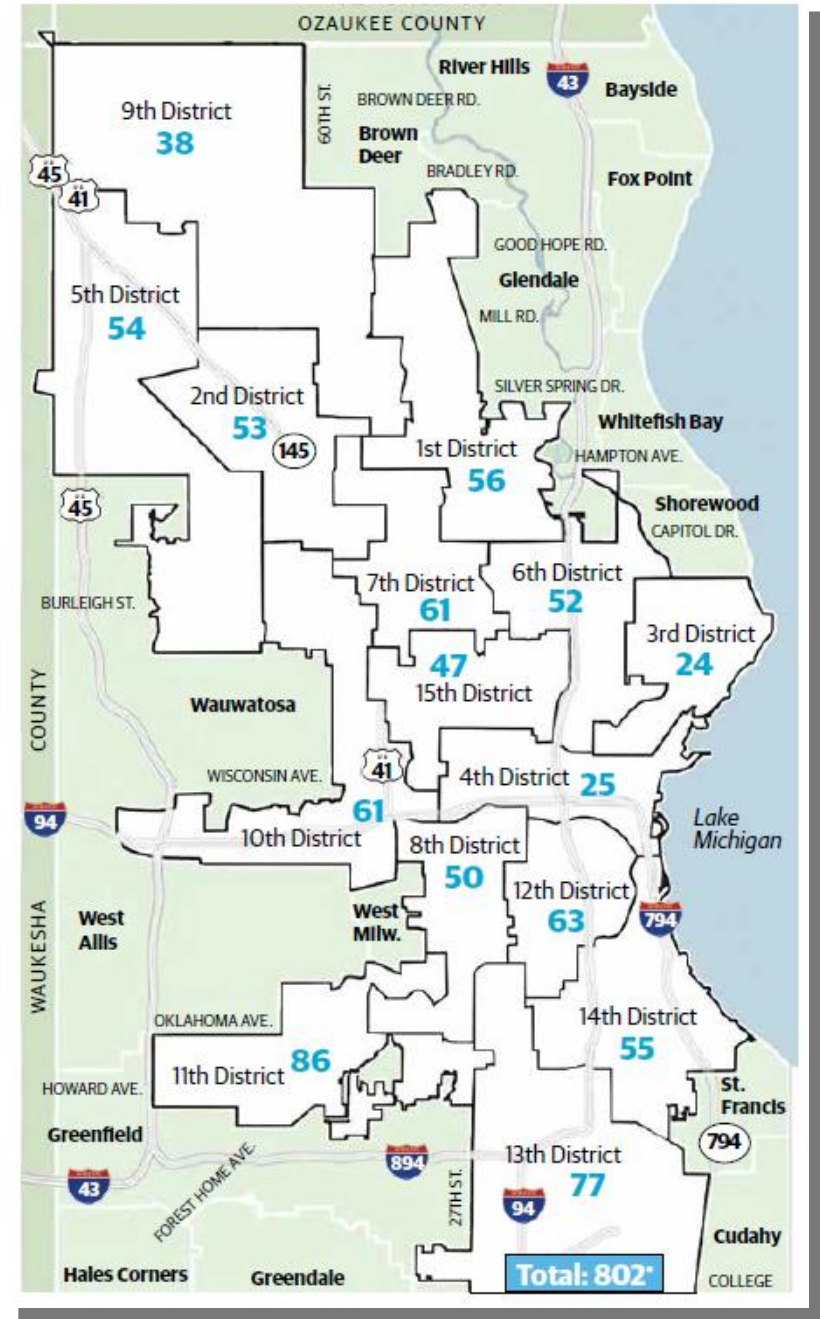
Surpassing Our Human Resources Goals



- Nearly 800 City of Milwaukee residents hired through RPP
- 795,882 construction hours worked by RPP-certified Milwaukee residents
- 211 apprentices on the project
- Outreach to more than 100 community-based organizations to help ensure project participation from diverse segments of the Milwaukee Community

Ensuring ALL of Milwaukee benefitted from the project

Distribution of RPP-certified workers by aldermanic district



Outperforming Financial Forecasts

	Projected	Actual
Property Value	\$290 Million	\$334 Million
Incremental Value	\$236 Million	\$285 Million
Incremental Taxes	\$28 Million	\$38 Million

Five-year performance as of 12/31/2021

And we have
continued to invest in
Milwaukee...

*In 2022 we paid over \$14
million in annual property tax
on over \$500 million of
property in the City*

7Seventy7

\$75 million in value

\$2 million in annual property taxes



Northwestern Mutual donates \$1.9 million to nonprofits in 3 Milwaukee neighborhoods

Northwestern Mutual commits \$2.5 million to schools, education initiatives

Northwestern Mutual Community Park to open this fall at Summerfest grounds

In countless ways

Northwestern Mutual pledges \$5 million to Children's Wisconsin cancer center

Northwestern Mutual Invests \$5 Million in Black-led Financial Institutions to Accelerate Local Community and Economic Development

Northwestern Mutual is launching a \$100 million impact investing fund for Black communities

Northwestern Mutual Eighth Consecutive Perfect Score on Human Rights Campaign's Corporate Equality Index

The Blacks In Technology Foundation Partners With Northwestern Mutual to Provide Udacity Nanodegree Scholarships for Milwaukee's African American Community

Company earns the designation of a "Best Place to Work" for LGBTQ+ workplace equality

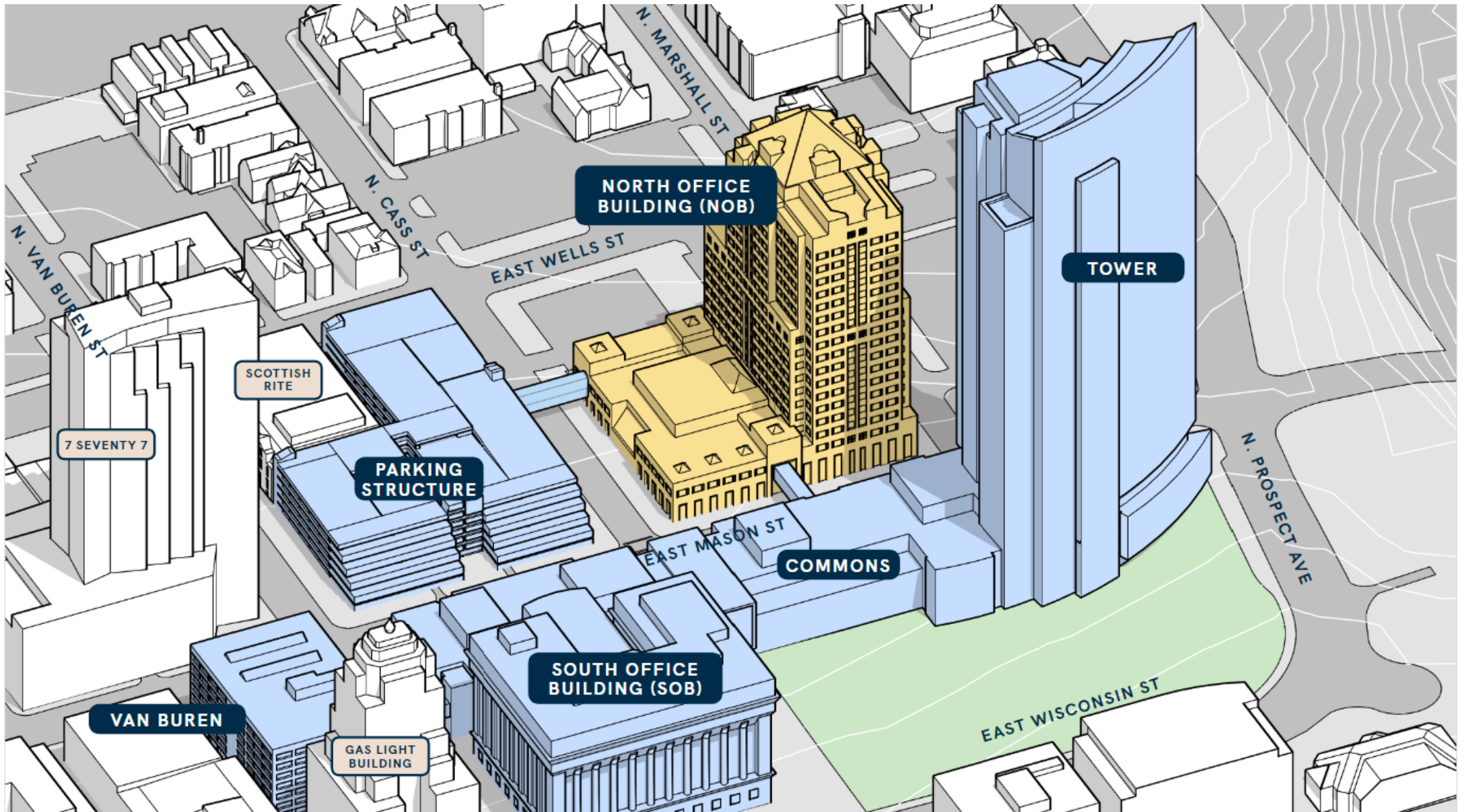
Partnership aims to reshape the technology industry and develop diverse talent

Our Commitment to the CORE Resolution and our Service-Sector Workforce

- Competitive, collectively-bargained compensation for our service-sector employees.
- Respectful, collaborative engagement with union partners.
- Commitment to seek service-sector employees from higher poverty zip codes.

We are facing a major decision
regarding our Milwaukee campus...

- Our North Office Building requires extensive infrastructure investments
- Our Franklin Campus is underutilized
- Post-pandemic return to work requires a new lens on office environments



NORTH OFFICE BUILDING (NOB)

TOWER

SCOTTISH RITE

7 SEVENTY 7

PARKING STRUCTURE

COMMONS

SOUTH OFFICE BUILDING (SOB)

VAN BUREN

GAS LIGHT BUILDING

North Office Building

Opened in 1990

Pending Maintenance



Exterior - \$35M

- Replace Windows
- Roof

Interior - \$85M

- Open-up Walls
- Ceilings
- Restrooms
- Paint
- Carpet
- Furniture and Fixtures

Mechanical, Electrical and Plumbing - \$50M

- Chillers
- Heating Systems
- All Plumbing
- Escalators/Elevators
- All Electrical
- Lighting

General Requirements - \$30M

- Permits/Taxes
- Insurance
- Construction Administration
- Lifts and Scaffolding
- Contingency
- Close-out and Commissioning

Franklin Campus



CONCEPT 1 - Campus view looking NW with Phase 3 and 4 shown



Post-Pandemic, many businesses are divesting offices

CRAIN'S CLEVELAND BUSINESS

As downtown office buildings struggle, should Cleveland consider incentives for investment?

BRINK

What Should We Do With All the Empty Offices?

5 ON YOUR SIDE
St. Louis

'We cannot continue to lose tenants and companies': Downtown office exits pile up as vacancy climbs

MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

COVER STORY COMMERCIAL REAL ESTATE
DOWNTOWN MINNEAPOLIS HAS A CASE OF LONG COVID

TRIANGLE BUSINESS JOURNAL

With offices empty, downtown Raleigh's survival may depend on retail

The San Francisco Standard

San Francisco Braces for Epic Commercial Real Estate Crash

AXIOS Washington D.C.

Washingtonians are still ditching the office

CRAIN'S CHICAGO BUSINESS

Space-shedding keeps downtown office vacancy at record high



Current North Office Building



Potential North Office Building



E Mason St

Bike

MILWAUKEE
POLICE



A photograph of the Northwestern Mutual North Office Building, a tall, modern skyscraper with a curved facade. The building's name is visible at the top. The image is overlaid with a semi-transparent blue box containing the title text.

NORTH OFFICE BUILDING MODERNIZATION SUMMARY

PURPOSE

Create a **cohesive campus experience** by transforming our existing North building to achieve the optimal outcomes **for our employees, field, and community.**

VISION

The North Office Building modernization will be the catalyst for one, **world class campus** in Milwaukee, to create an epicenter for **workforce collaboration, innovation, and learning**, to provide a consistent experience that **amplifies our culture**

A photograph of the Northwestern Memorial Hospital building, a tall, curved skyscraper with a glass facade. The name "Northwestern Memorial" is visible at the top of the building. The image is overlaid with a semi-transparent blue box containing the text "NORTH OFFICE BUILDING PROJECT FACTS".

NORTH OFFICE BUILDING PROJECT FACTS

ESTIMATED COST

\$500 million

SCOPE

The development will include extensive internal and external renovations encompassing **540,000 square feet** to mirror the iconic and award-winning architecture of the Tower and Commons.

CAMPUS CAPACITY

When complete, the campus daily capacity will be **9,000**

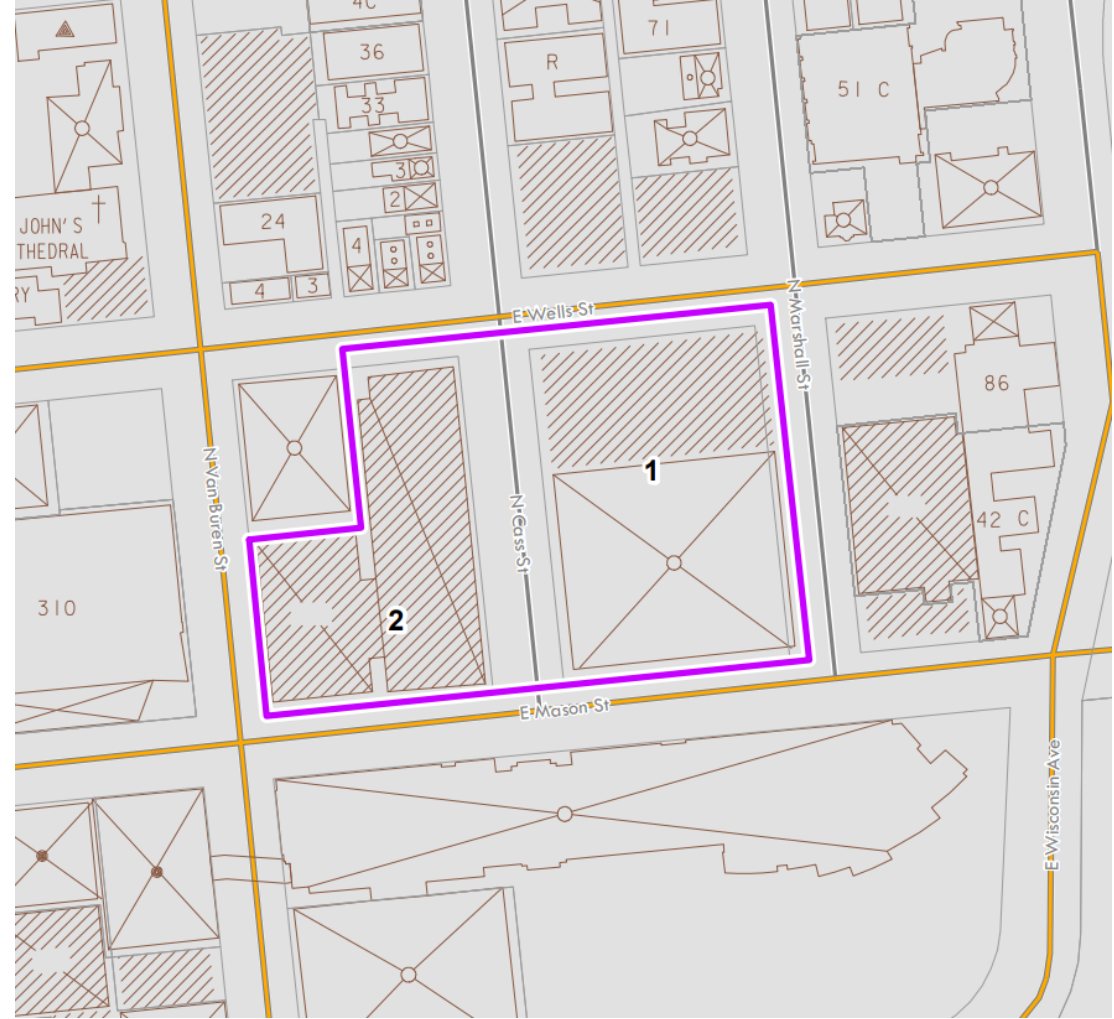
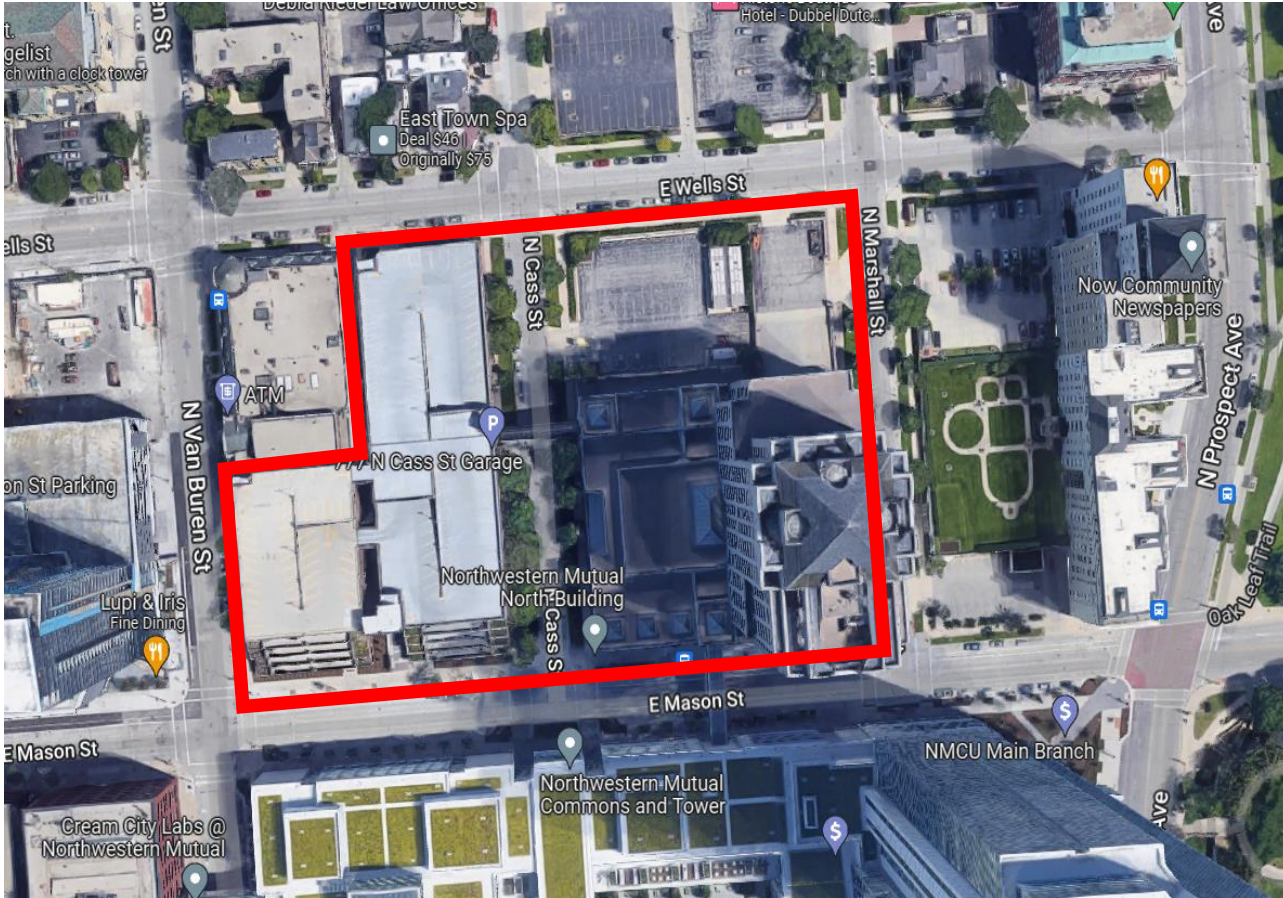
ENVIRONMENTALLY FRIENDLY

The building will be constructed according to LEED-certified specifications, with the goal of achieving **LEED Gold certification**

TIMELINE

Pending City approvals, construction could begin as early as **Fall 2023**, with potential occupancy in **2027**.

TID 115: NM North



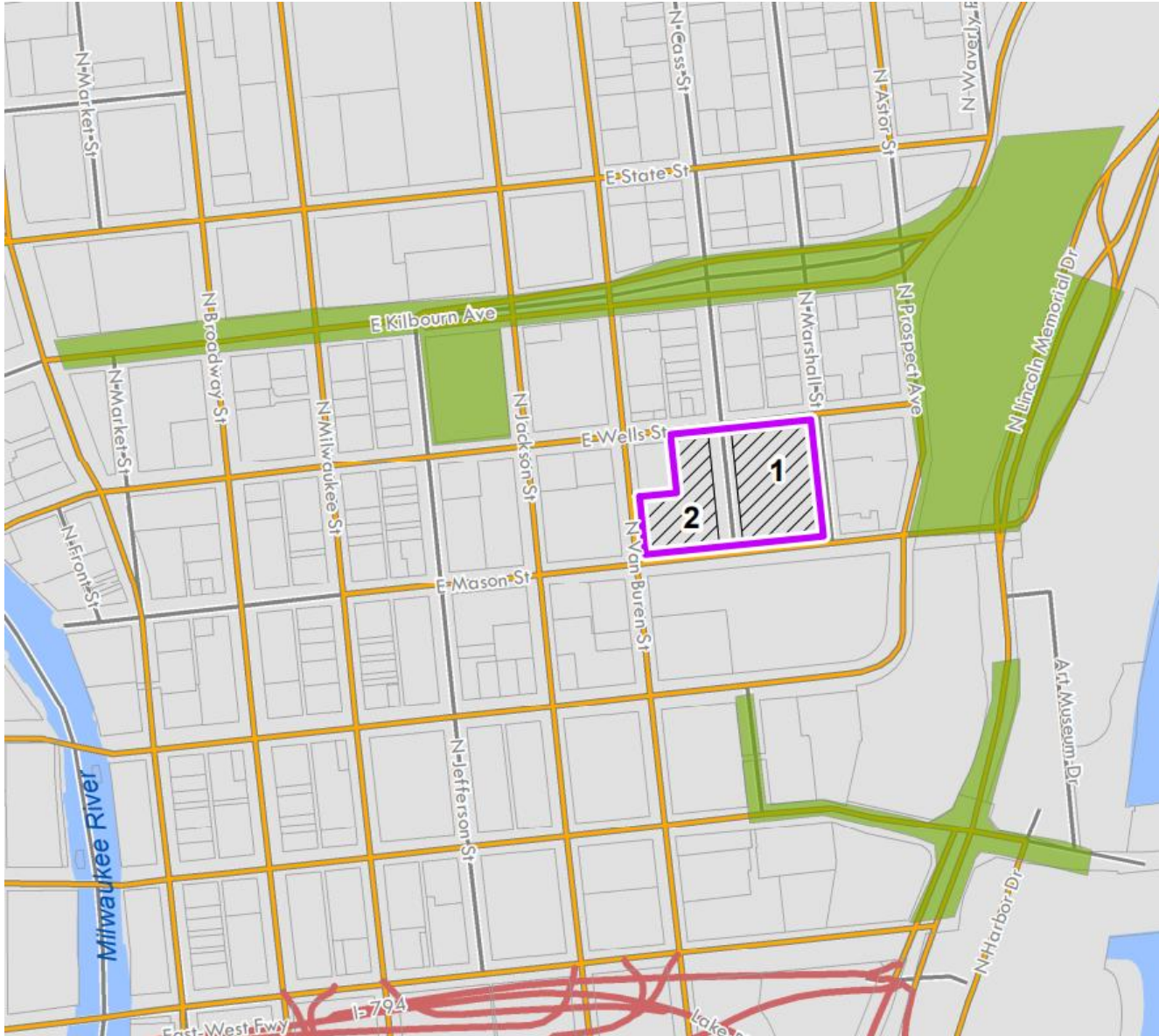
TID 115: NM Terms

- Up to \$30,000,000 Company-Financed grant to the Company, 4.5% interest for up to 23 years
- 75% of incremental revenue to Company, 25% to City
- Commitment to 5,375 employees by 2028 and 5,750 by 2030
- Community Benefits:
 - Human Resources Agreement: 25% SBE and 40% RPP
 - Commitment to \$15/hour for service workers
 - \$2,500,000 towards affordable housing or youth fitness/health/education
- Payment in Lieu of Taxes (PILOT) Agreement

TID 115: NM Terms

Year	Employees/Contractors and Consultants	Employees	+/- Compared to Tower and Commons
2023	4,480		
2024	4,660		
2025	4,660		
2026	4,849		
2027	4,849		
2028	5,048	5,375	327
2029	5,048	5,375	327
2030	5,375	5,750	375
2031	0	5,750	5,750
2032	0	5,750	5,750
2033	0	5,750	5,750
2034	0	5,750	5,750
2035	0	5,750	5,750
2036	0	5,750	5,750
2037	0	5,750	5,750
2038	0	5,750	5,750
2039	0	5,750	5,750
2040	0	5,750	5,750
2041	0	5,750	5,750
2042	0	5,750	5,750
2043	0	5,750	5,750
2044	0	5,750	5,750
2045	0	5,750	5,750

TID 115: Public Infrastructure



\$10m for Public Infrastructure:

- Michigan/Cass/Lincoln Memorial (\$6,000,000)
- Kilbourn Avenue protected bike lane (\$1,000,000)
- Kilbourn/Astor/Prospect intersection (\$1,000,000)
- Protected bike lane along Prospect, from Mason to Kilbourn (\$500,000)
- Juneau Park improvements (\$400,000)
- Oak Leaf Trail improvements (\$250,000)
- Sidewalk along Lincoln Memorial (\$250,000)
- Cathedral Square Improvements (\$100,000)
- Contingency (\$500,000)

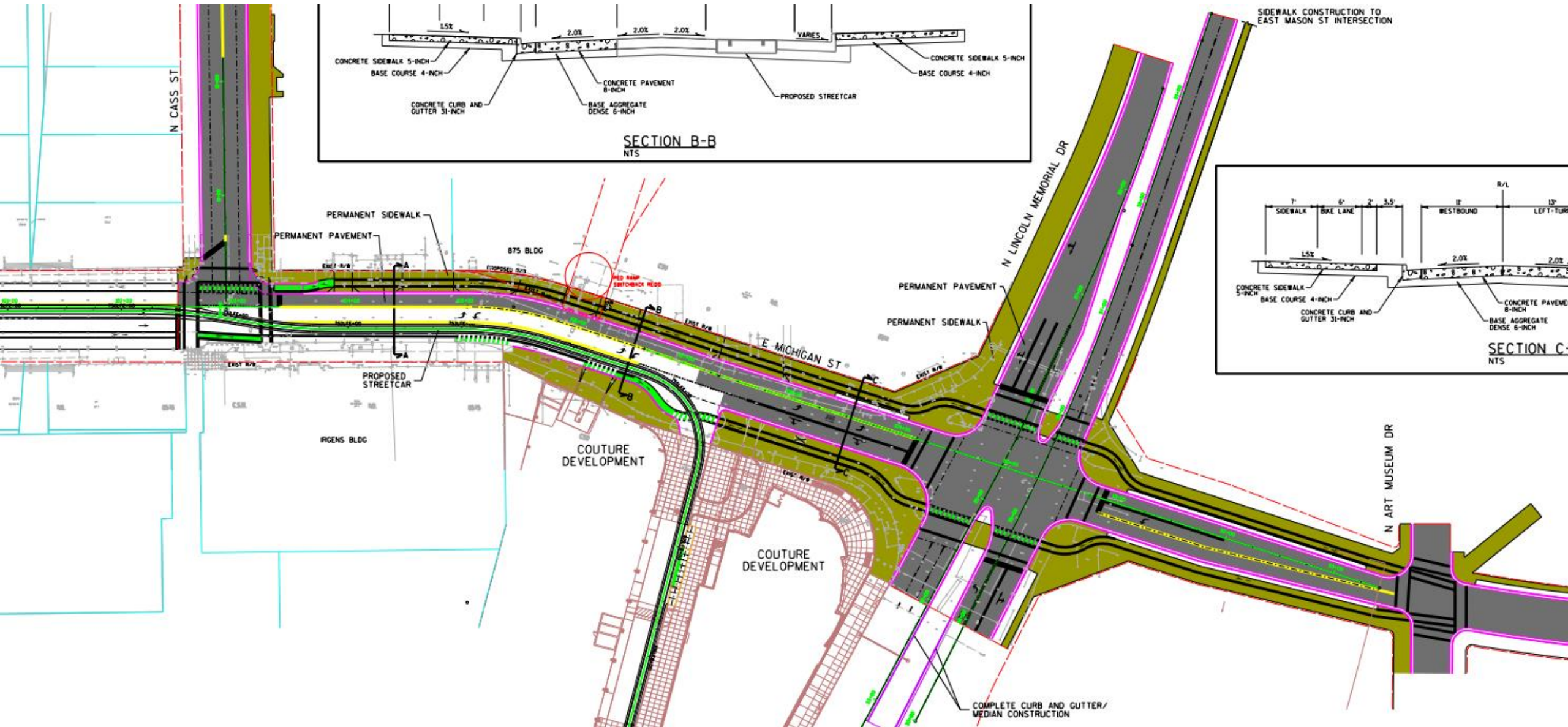
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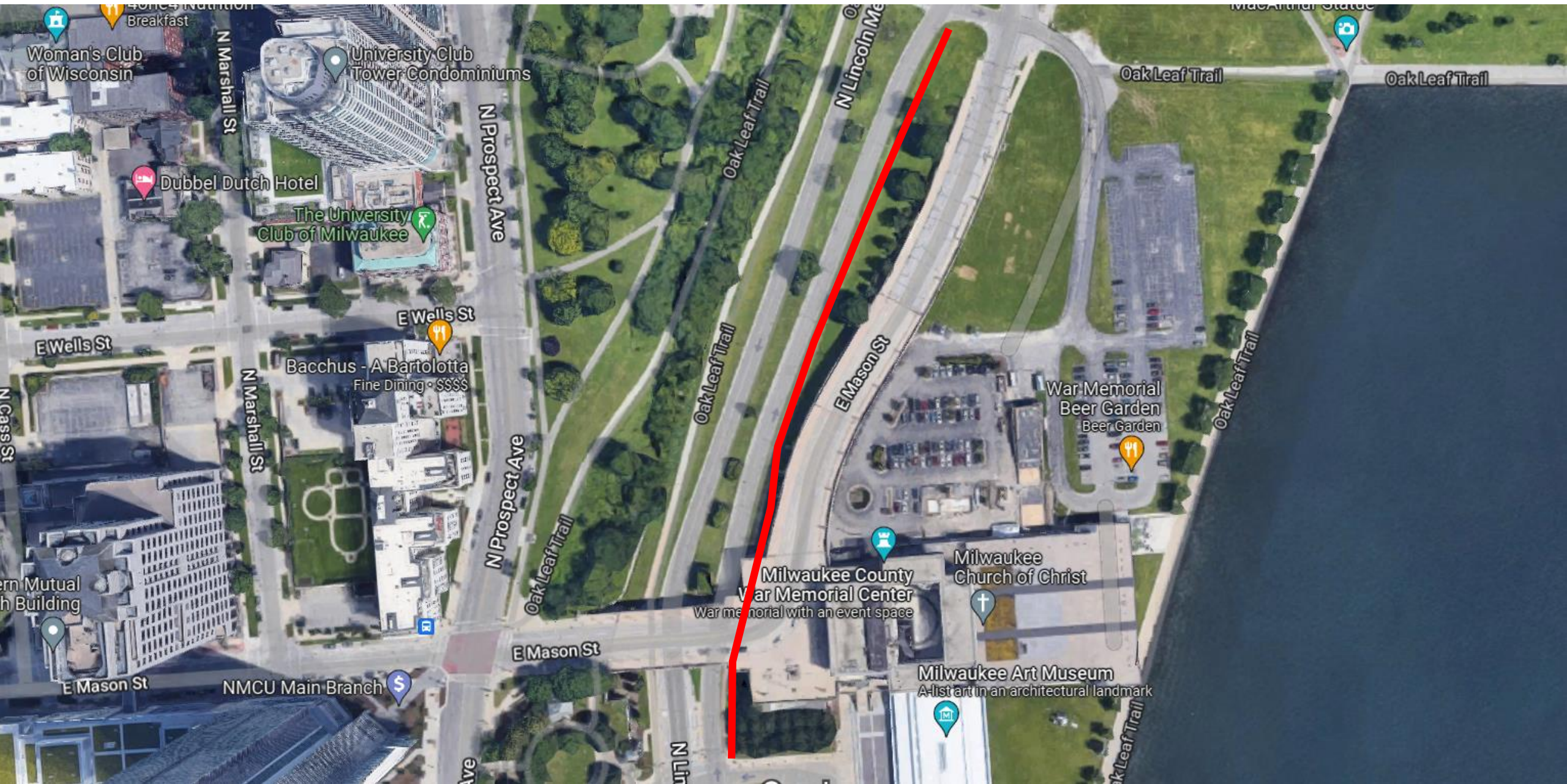
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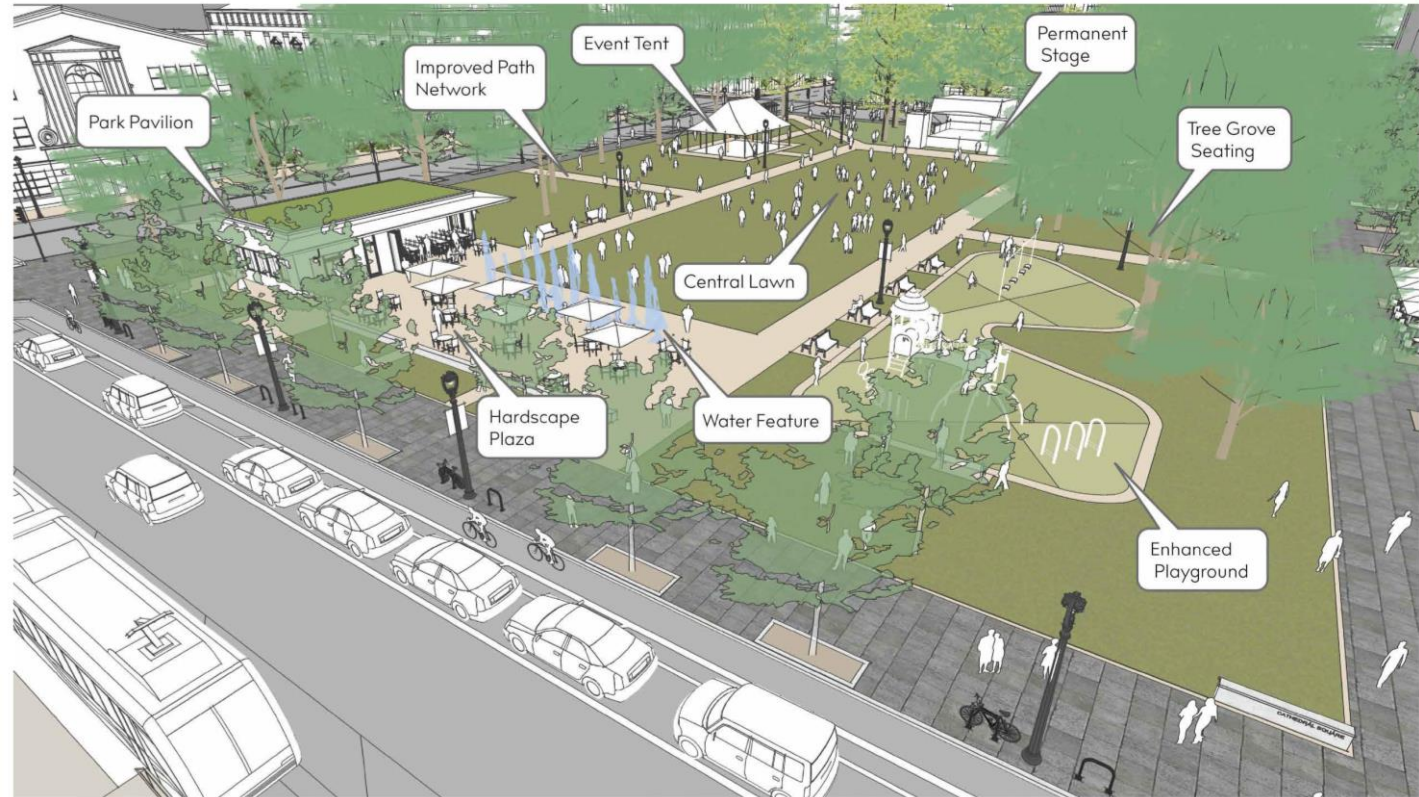
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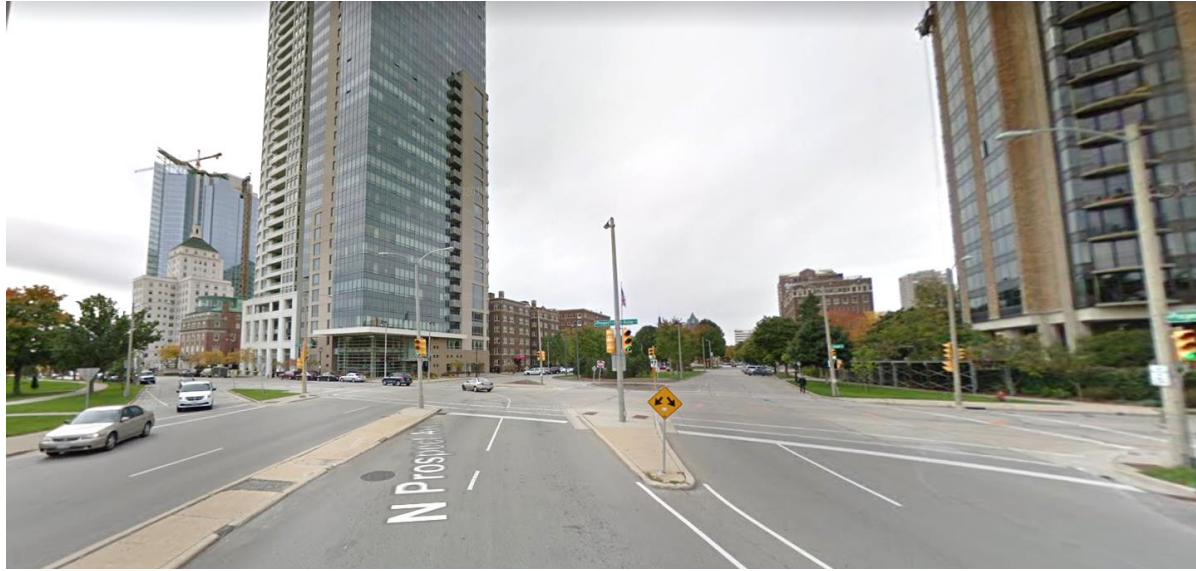
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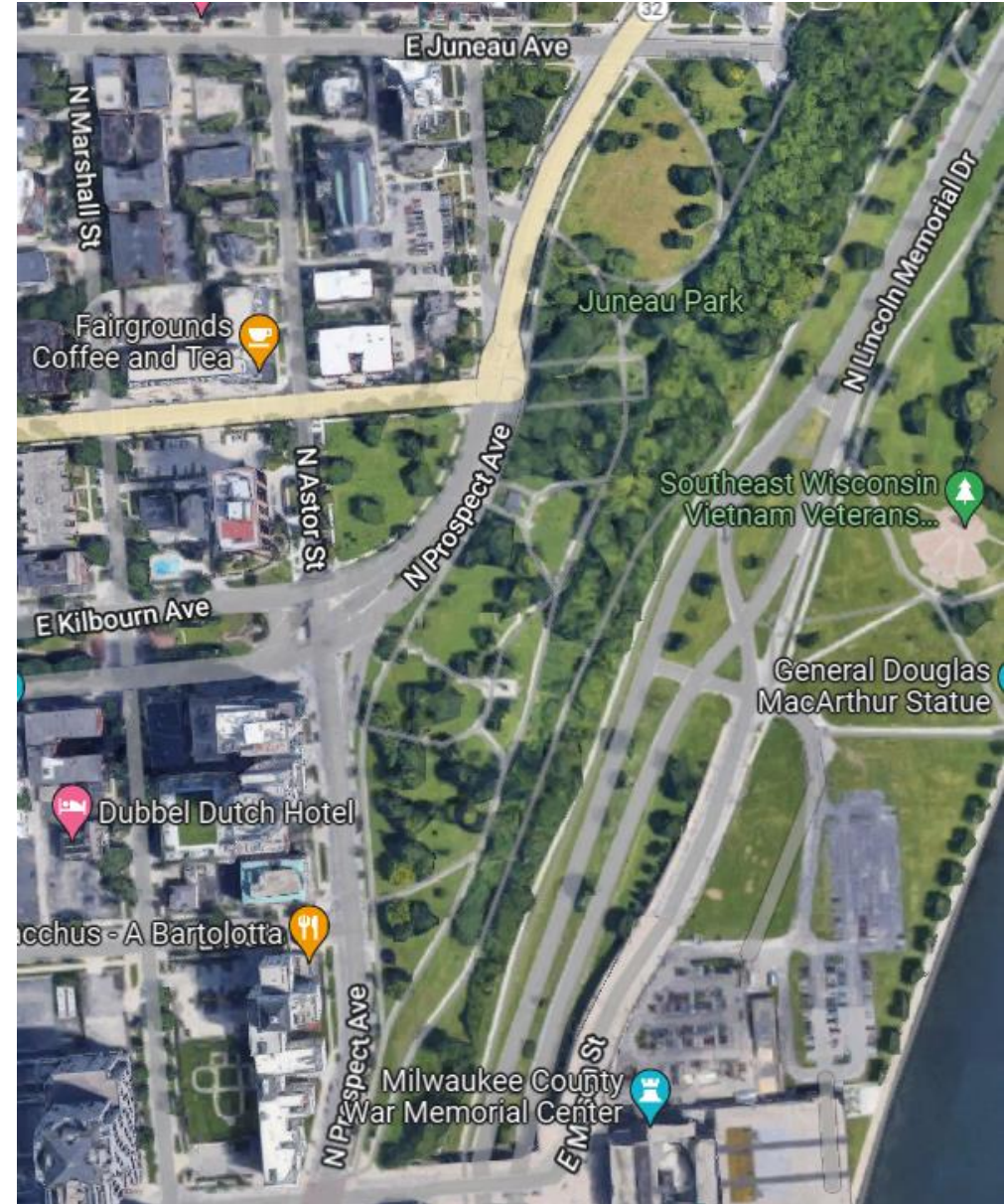
DRAFT Conceptual Design

NOTE: Renderings are for illustrative purposes only. All concepts require further study and engagement.

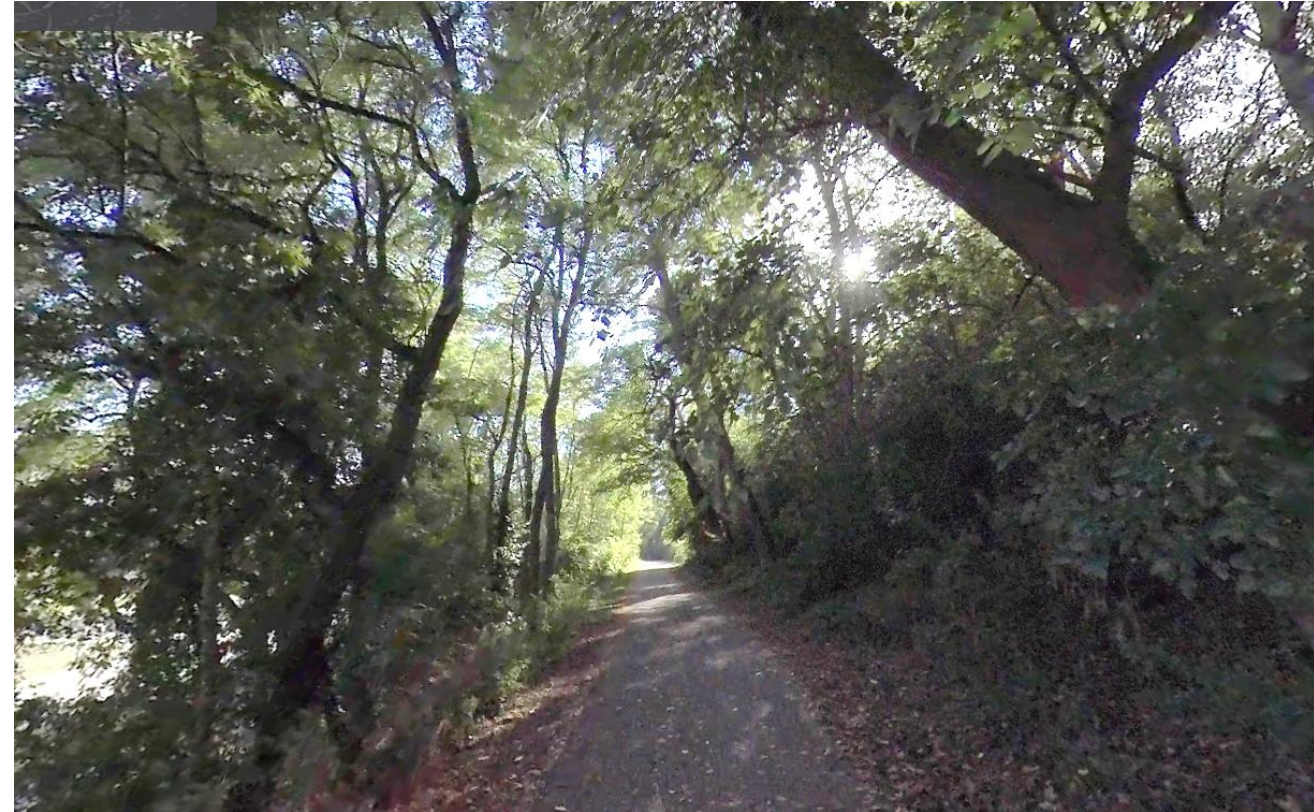
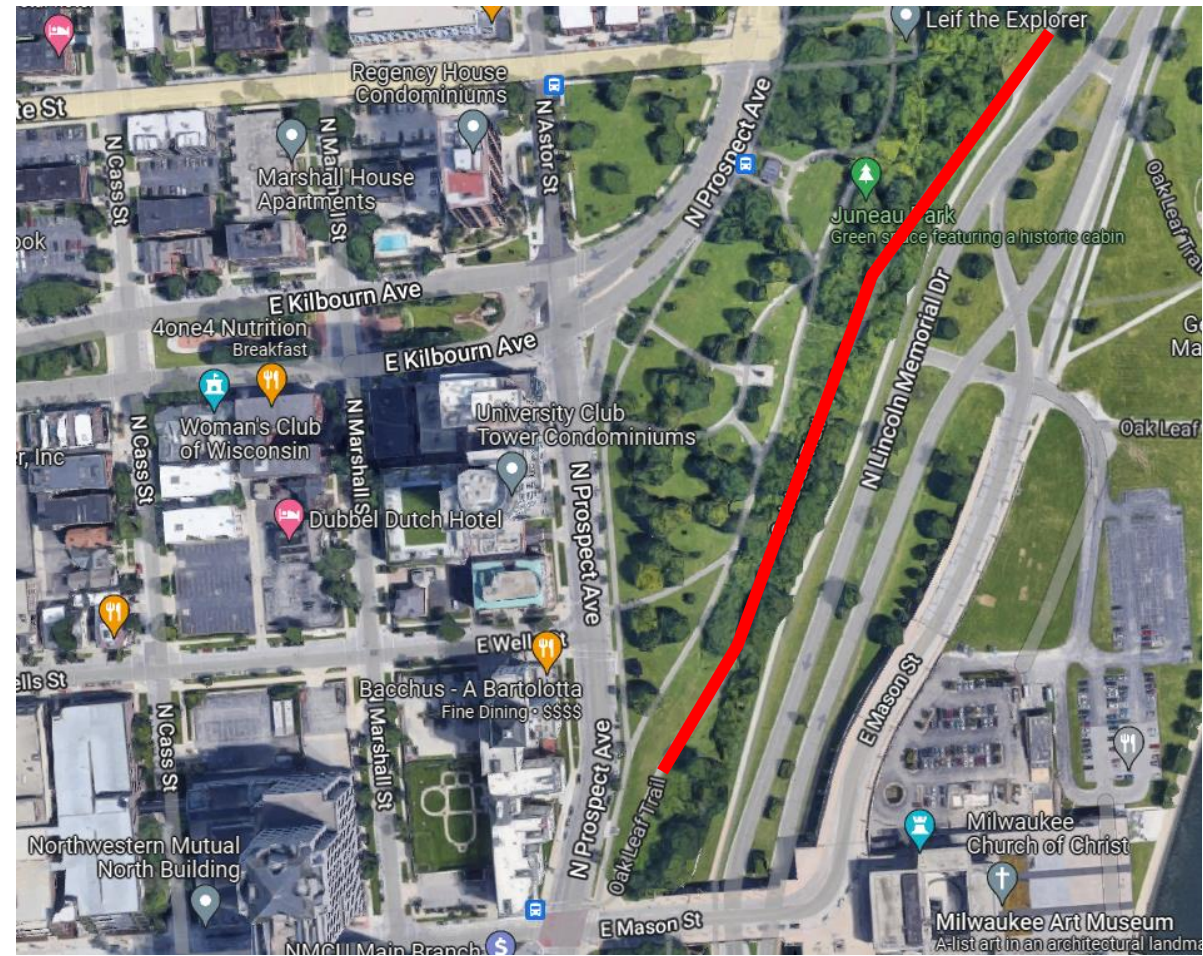
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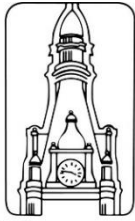
TID 115: Budget and Feasibility

Monetary Obligation to Company	\$30,000,000
Public Infrastructure	\$10,000,000
Administration (\$250,000 + \$10,000 x 23 years)	\$480,000
TOTAL	\$40,480,000

Monetary Obligation and Public Infrastructure is able to pay off by Year 23 of the District



**Northwestern
Mutual®**



**City
of
Milwaukee**

TID 115

(NM North)

