

Redevelopment of an industrial site to create a world-class office complex.

PROJECT BASICS

Type:
Real Estate – Office

Total Development Cost:
\$60.0 million

LISC New Markets Tax Credit Allocation:
\$7.5 million

PROJECT STAKEHOLDERS

LISC Program:
Milwaukee LISC

Investor:
US Bank

Lender:
Whitnall Summit Development Corp.

Sponsor/Developer:
Whitnall Summit, LLC

Other Key Stakeholders:
City of West Allis

COMMUNITY NEED

- Family income 78% of the area median
- Brownfield Site

COMMUNITY IMPACT

- 647,982 sq. ft. of Commercial Space
- 1,002 Construction Jobs
- 1,888 Permanent Jobs

Project Snapshot:

- The Summit Place project called for the adaptive reuse of century-old buildings near Milwaukee in which the Allis Chalmers Manufacturing Company originally built tractors.
- Located on a former Brownfield Site, the renovated facility offers 647,982 sq. ft. of office space tailored to the needs of individual tenants.
- Architectural highlights include 17-foot-tall window openings, hundreds of linear feet of skylights, and an awe-inspiring superstructure. Amenities include Rupena's Café, Summit Place Fitness Center, multiple conference rooms, heated parking, and three first-class conference centers accommodating up to 175 participants. A separate project on the site will create an additional 250,000 sq. ft. of newly constructed office space. Anchor tenants at the site include four subsidiaries of Siemens, and Pitney Bowes.
- The project has created as many as 1,888 permanent and 1,002 construction jobs.



Project Background:

- Much of the Allis Chalmers Manufacturing Company plant was demolished in 1987 when the operation closed. Of the plant's remaining 900,000 sq. ft. of office and industrial space, a large portion sat vacant and undeveloped until 1994, when Whitnall Summit, LLC, the developer, purchased some 350,000 sq. ft. of office space and 550,000 sq. ft. of industrial space on 33 acres. At the time, approximately 45% of the office space and 30% of the industrial space were vacant. During 1997-2003, Whitnall Summit renovated the property and worked aggressively to improve the leases and tenant occupancy rates while re-selling some components of their original purchase. The LISC NMTC project involved the redevelopment of the developer's three remaining buildings and a portion of vacant land.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- Given the project's status as a new office development in a former industrial site, the project faced significant obstacles to securing adequate financing under terms that would allow it to compete with comparable developments farther from Milwaukee's urban core. Our program offered a way to leverage available financing and enhance the project's competitive profile.
- \$7.5 million in NMTC allocation authority provided a custom product with non-traditional and/or favorable terms including: a below-market interest rate; subordinated debt; a longer interest-only payment period; and a higher loan-to-value ratio.
- Impact Seven also provided \$4.5 million in NMTC allocation authority to the project.
- This project is critical to metropolitan Milwaukee as it generates high-quality jobs that can support families. Although many older, urban, former manufacturing cities attempt to re-invent themselves as tourist destinations, the quality of jobs associated with tourism and entertainment are often less stable and lower paying. The Summit Place project has provided a more diversified mix of well-paying employment opportunities and avoid the long-term risks of over-dependence on one economic sector – a root problem that contributed to economic decline in many of these same cities.