

REDEVELOPMENT CONCEPT

13200 W. Bluemound Road

Village of Elm Grove, Wisconsin



LUTHER GROUP

Introduction

Luther Group, LLC (“Luther Group”) is a commercial real estate company specializing in development, brokerage, program management, and property management. Luther Group acquired and renovated the Johnson Building at 780 Elm Grove Road in Elm Grove where its corporate office is currently located. Luther Group’s team consists of six (6) real estate professionals that call Elm Grove their work home.

Luther Group recently entered into a purchase agreement for the property at 13200 W. Bluemound Rd (the “Property”). The Property consists of approximately 0.90 acres and is situated at the northwest corner of the Bluemound Road and Elm Grove Road intersection. The Property currently contains an 8-unit apartment building with detached garages as shown in Figure A.

Luther Group envisions redeveloping the Property and is bringing this redevelopment concept forward to the Village of Elm Grove’s Plan Commission for discussion and feedback. At this time, we hope to attain the Plan Commission’s thoughts and feedback on the envisioned use and rezoning of the Property. No formal approvals are being requested at this time.

Figure A – Parcel Map of the Property



Redevelopment Opportunity

Luther Group envisions a redevelopment of the Property to unlock the full potential of this primary gateway into the Village of Elm Grove.

Why redevelopment?

- The Property is Elm Grove’s “front door” to nearly 29,000 cars per day along Bluemound Rd. Redevelopment provides the opportunity to create a true gateway to the Village.
- A redevelopment will provide the Village of Elm Grove the opportunity to introduce Village monument signage at this gateway point. Luther Group has contemplated this option and will work with the Village to make this happen, if the Village so desires.
- The current apartment use is not the highest and best use. A prominent corner such as this is better suited for a commercial use.
- A redevelopment will unlock value for the Village of Elm Grove and its residents by increasing the tax basis of the Property.
- The Luther Group redevelopment concept will not detract from continued development of the downtown district of Elm Grove.

Potential Use

A branch bank has been determined to be the highest and best use for the Property based on the Property’s attributes. Modern branch banks range in size from 2,500 sf to 6,000 sf and require 20-30 parking stalls. The most common branch bank is 3,000 sf with a drive-thru and approximately 25 parking stalls. A branch bank typically operates only during daytime hours which reduces the impact on neighboring properties.

The Property is currently zoned Rm-1 Multi-Family Residential District. The conversion of the Property to a commercial use will require a rezone. B-1 Local Business District appears to be the most appropriate zoning for the Property, if rezoned.

We previously outlined the potential for an increase in tax basis if the Property is redeveloped into a commercial use. The Property is assessed at \$883,000 as of 2017. Below find assessed values of recently built bank branches for comparison purposes.

- | | |
|--|-------------|
| • PNC – 12805 W Bluemound Rd, Brookfield | \$2,120,000 |
| • Associated Bank – 17595 W Bluemound Rd, Brookfield | \$1,695,900 |
| • UW Credit Union – 21215 Highway 18, Waukesha | \$2,146,700 |
| • Summit Credit Union – 10015 W Greenfield Ave, West Allis | \$2,503,700 |

Luther Group has studied potential branch bank site layouts on the Property to determine feasibility. There are several achievable layouts meeting the needs of branch banks. These are not “proposed” layouts but simply a demonstration of test to fit for discussion purposes. Once attained, a bank user will present its desired layout for formal approval.

Figure B – Site Plan Concept 1

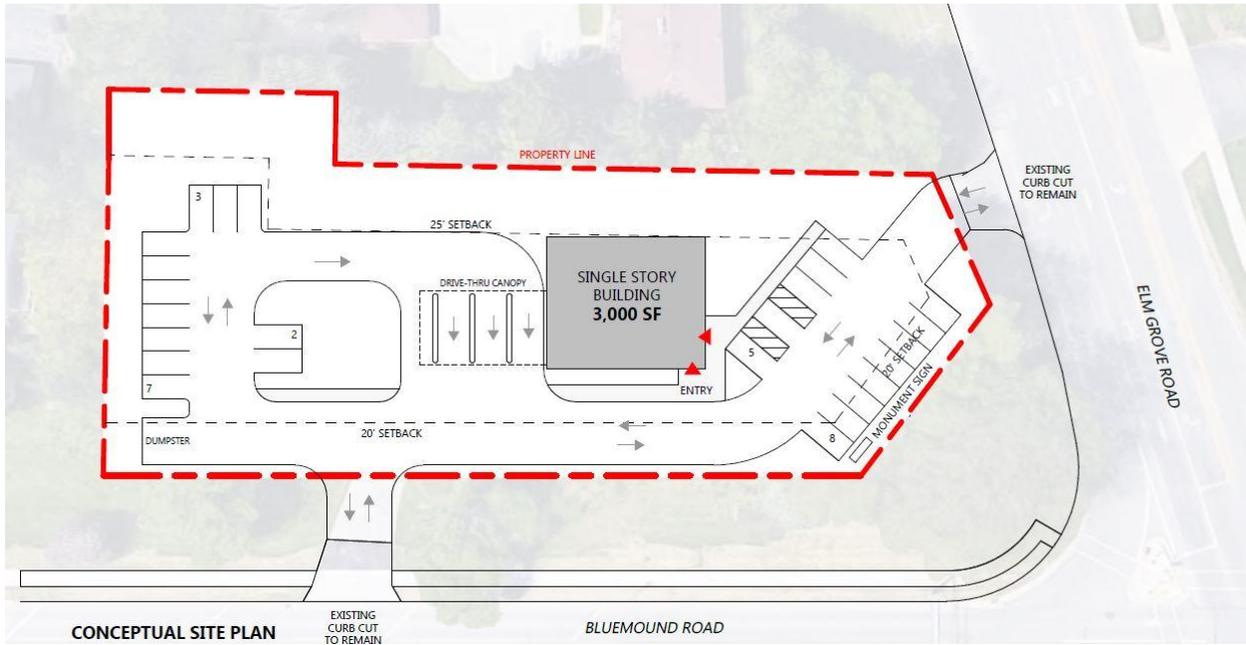


Figure C – Site Plan Concept 2

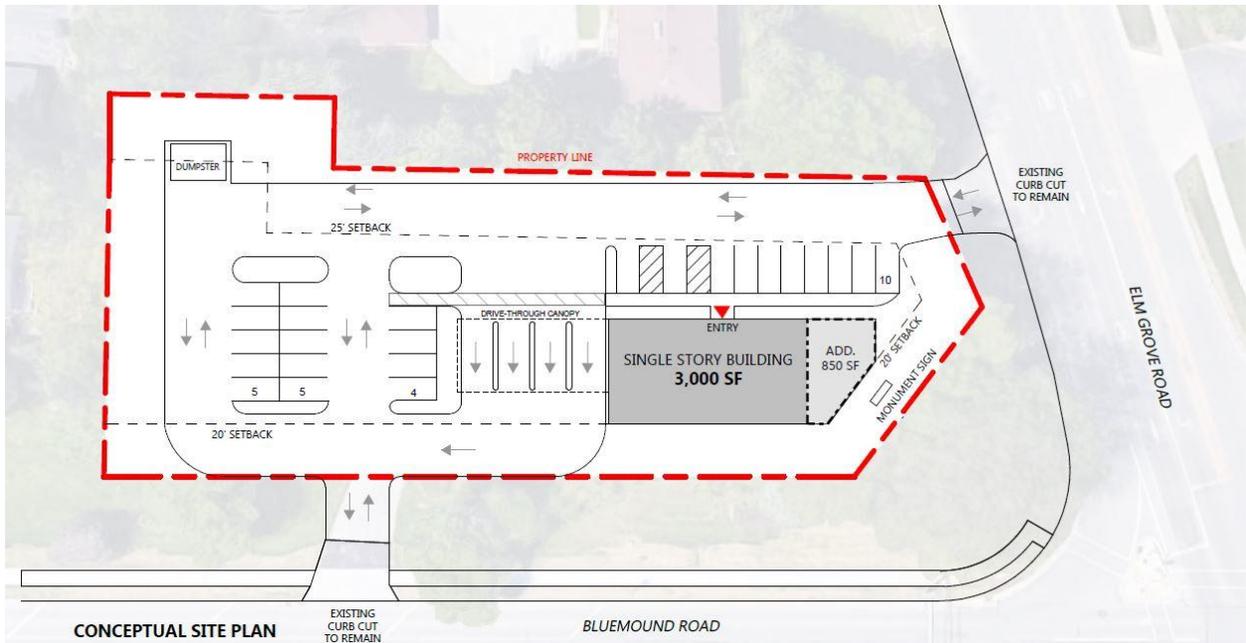


Figure D – Site Plan Concept 3

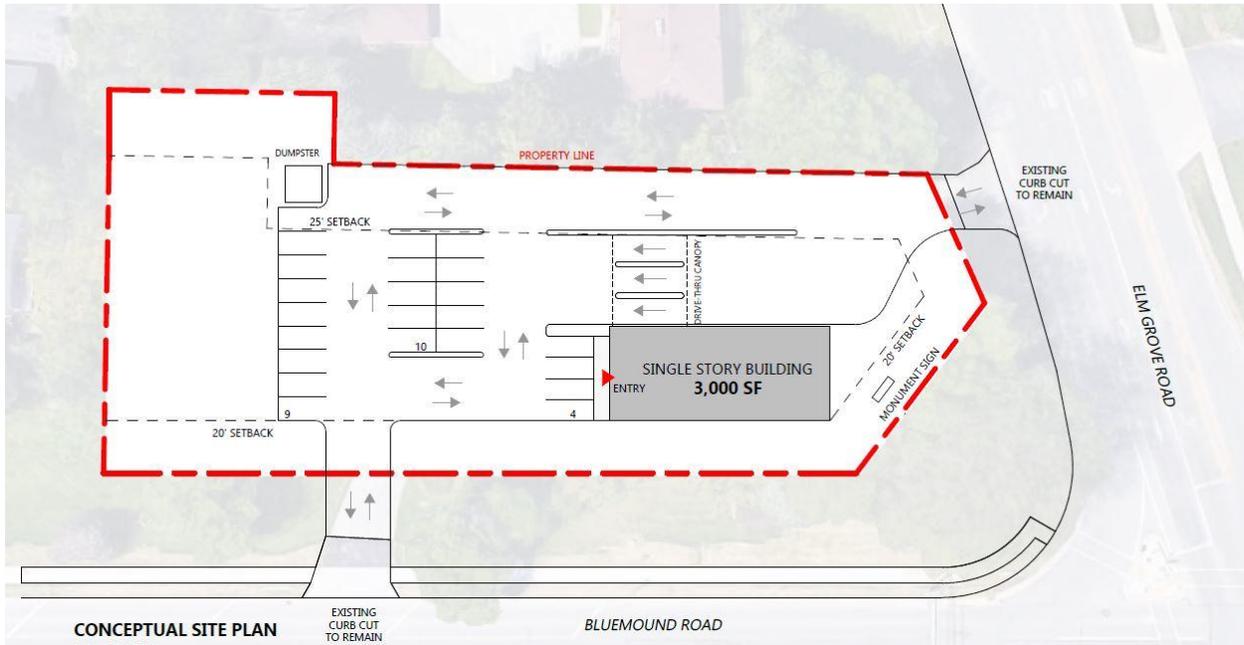


Figure E – Site Plan Concept 4

