

Northwestern Mutual Announces \$500M Investment in Downtown Milwaukee Campus

Investment in North Office Building to bring downtown campus capacity to 9,000 and serve as expanded hub for employees, financial representatives, and business and community partners

MILWAUKEE, Feb. 2, 2023 /PRNewswire/ -- Northwestern Mutual today announced plans to invest more than \$500 million in its North Office Building located at 818 East Mason Street in downtown Milwaukee to expand its world-class workplace and employee experience.

The development plans include extensive interior and exterior renovations to the 540,000-square-foot building to mirror the iconic and award-winning architecture of the Tower and Commons, new connecting structures, and a pedestrian plaza on Cass Street. The plan is contingent on City of Milwaukee approval of a tax incremental financing (TIF) plan that will bring millions of dollars in additional property tax revenue to the City.

"We are doubling down on our Milwaukee campus by investing in the future of the workplace for Northwestern Mutual and a thriving downtown community," said Northwestern Mutual Chairman, President and Chief Executive Officer **John Schlifske**. "We are expanding our world-class campus so that our teams can best serve our clients and policyowners in helping them achieve financial security by protecting what they've already built and creating future prosperity."

Schlifske added, "Our strategic investment will further our goal of creating an unparalleled campus experience, fostering connection and collaboration across employees, financial representatives and the community while attracting and retaining the next generation of talent right here in southeast Wisconsin."

As part of the company's plans, employees will be relocated from Northwestern Mutual's Franklin, Wis. campus over the next three to five years. Nearly 2,000 employees will transition to the reimagined downtown campus, which will also accommodate planned company growth.

"Northwestern Mutual is an incredible community partner and their investment in Milwaukee will signal to the state, region and nation that Milwaukee is *the* place to do business," said Milwaukee **Mayor Cavalier Johnson**. "Their wide-ranging investments in our city have – and will continue – to move Milwaukee forward."

Pending City of Milwaukee approvals, construction could begin as early as fall 2023, with potential occupancy in 2027.

Expanding the Tower and Commons Experience to the North Office Building, Activating Cass Street

Northwestern Mutual's North Office Building was completed in 1990 – nearly three decades before the company's signature Tower and Commons was completed in 2017.

"We were proud to partner with City officials to help transform Milwaukee's skyline and provide an unparalleled experience to thousands of Northwestern Mutual employees with our Tower and Commons project," said **Schlifske**. "With this exciting new endeavor, we will extend that same experience to all our employees by aligning our North Office Building to the Tower and Commons experience."

The transformation of the North Office Building will include a full building renovation to visually complement the Tower and Commons Building, enhanced employee amenities, events space, and public engagement. The redesign and more efficient use of the space will result in additional usable square footage and overall downtown campus capacity.

As part of the project, Northwestern Mutual is proposing the creation of a pedestrian plaza at the intersection of Mason and Cass Streets that will better activate the area for the public, employees and visitors. Plans call for the elimination of automobile traffic on a portion of North Cass Street between East Mason and East Wells Streets.

While initial design renderings have been created, more detailed designs are expected by mid-2023.

Franklin Campus Served the Company Well for Two Decades

More than 20 years ago, Northwestern Mutual developed the first phase of a suburban office campus located at 1 Northwestern Mutual Way in Franklin, Wis. Since that initial development, Northwestern Mutual has continued its investment in and around its Franklin campus and in neighboring Oak Creek, Wis., and has helped attract major development in both communities.

Today, the Franklin campus includes two buildings totaling more than 880,000 square feet of office space, plus an additional 16 acres for future development. Amenities include ample parking, walking trails, and ponds.

The company has no immediate plans to sell or lease the buildings, as employees will continue to operate from the Franklin location for three to five years; however, the company anticipates the property will be highly desirable to a future company seeking Class A office space.

According to **Schlifske**, the Franklin campus has served Northwestern Mutual well, but it is time to adapt and lean into the future by bringing people together, consolidating, modernizing, and positioning the Milwaukee campus as the primary cultural and operational center of Northwestern Mutual.

"The City of Franklin has been a valued partner for more than 20 years," said **Schlifske**. "We have invested in the community and transformed 80 acres of land, with 16 acres remaining for future development. It is our hope that our investment will attract another great out-of-state company to call Wisconsin home."

Investment Builds on Success of Tower and Commons Project

The announcement comes almost exactly 10 years after Northwestern Mutual announced its 1.1 million-square-foot Tower and Commons project. The plan agreed to by the City of Milwaukee included significant goals around the vendors, firms and labor utilized in the construction of the Tower and Commons, which the company successfully met.

"Our decision to build the Tower and Commons downtown made a huge statement about metro Milwaukee's attractiveness as a place to live and work and created job opportunities for our broader community that continue to have a ripple effect to this day," said **Schlifske**. "We believe in Milwaukee – which has been our hometown for nearly all of our 165-plus year history – which is why we were up to the challenge to ensure we met and exceeded the bold hiring goals advanced with the City."

As part of the Company's 2012 agreement with the City, Northwestern Mutual committed to award 25 percent of the total value of applicable contracts to Milwaukee Small Business Enterprises (SBEs). Northwestern Mutual exceeded this goal, awarding \$127 million, or 31 percent of the total value of applicable construction and professional services contracts, to local SBEs. The company also committed to ensure at least 40 percent of labor hours on the project would be worked by Milwaukee residents eligible under the Residents Preference Program (RPP). Northwestern Mutual also exceeded this goal, with Milwaukee residents eligible under the RPP performing 43 percent of the construction hours on the project.

The City's monetary obligation under the Tower and Commons tax incremental district (TID) is anticipated to be fully paid earlier than expected.

Developer-funded TIF to Pave the Way for Major Investment

"To complement Northwestern Mutual's investment, the city is advancing a financing tool that adds value without imposing a burden on city taxpayers," said **Mayor Johnson**. "Over the long run, the city's participation adds tax base and economic strength to Milwaukee."

According to **Johnson**, like the Tower and Commons project, the City of Milwaukee has proposed a tax increment financing (TIF) plan to facilitate this new project. As was the case with the Tower and Commons project, rather than have the City borrow money to finance the plan, the proposed financing would be structured as a developer-funded tax incremental district (TID).

Under this method, Northwestern Mutual will initially pay for all the costs of the project.

Once the company's new building is producing property tax revenue beyond that generated by the current North Office Building, a portion of those "incremental" taxes will be returned to Northwestern Mutual. These payments are contingent on numerous commitments including:

Utilizing SBEs for at least 25 percent of construction and supply costs and at least 18 percent of professional services costs on the construction of the project;

Utilizing unemployed and underemployed residents, pursuant to the City's RPP, for no less than 40 percent of total onsite construction "worker hours" expended on construction of the project;

Adhering to the requirements contemplated by the City's Community-Oriented, Responsible and Equitable (CORE)

Development Zone Resolution, which applies to certain workers and requires a starting \$15 per hour minimum wage with built-in escalators;

Committing to have no less than 5,375 employees assigned to its downtown campus upon completion of the project and no less than 5,750 employees assigned to its downtown campus by January 1, 2030 and for the duration of the term of the TID; and

Continued and enhanced investment in Milwaukee communities through the Northwestern Mutual Foundation.

Northwestern Mutual will receive 75 percent of the tax increment and the City will receive 25 percent until a net present value total of \$30 million is paid to the company. If for some reason the project produces less property tax revenue than expected, Northwestern Mutual may not have the full \$30 million developer funding repaid to it.

"Northwestern Mutual has proven time and again that they are committed to our City," said **Milwaukee Common Council President José Pérez**. "Their growth, success and investment in Milwaukee benefits our entire community."

Commitment to Milwaukee

In addition to calling Milwaukee its home for more than 165 years and being the largest property taxpayer in the City of Milwaukee, Northwestern Mutual and its employees support the community in many ways.

The Northwestern Mutual Foundation has given more than \$465 million to nonprofits nationwide since its inception in 1992; \$248 million of those funds stayed in Wisconsin and more than 52 percent of the foundation's grants have benefitted organizations in southeastern Wisconsin. In 2022, the Northwestern Mutual Foundation's total giving exceeded \$23 million.

Northwestern Mutual employees are also leaders in volunteerism. In 2022 alone, employees donated over 28,800 employee volunteer hours.

Since 2013, Northwestern Mutual, through its Foundation, has invested nearly \$15 million in Milwaukee's Amani, Metcalfe Park and Muskego Way neighborhoods, supporting nonprofit organizations focused on fostering safe neighborhoods, healthy and thriving youth, and strong families. Most recently, in 2022 the company announced \$1.7 million in grants to nearly 30 nonprofit organizations in these neighborhoods.

Locally, the company also collaborates with schools and educational programs to increase access to quality education and supports the leading attractions that make Milwaukee a great place to live and visit. Northwestern Mutual is among the largest corporate donors to the United Way of Greater Milwaukee and the United Performing Arts Fund with employee, retiree and foundation contributions to the organizations totaling more than \$100 million since 2022.

To read more about the company's community impact, view the 2022 Sustainability Report [here](#).

About Northwestern Mutual

[Northwestern Mutual](#) has been helping people and businesses achieve financial security for more than 165 years. Through a holistic planning approach, Northwestern Mutual combines the expertise of its [financial professionals](#) with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With more than \$561 billion in combined company and client assets, \$34 billion in revenues, and \$2.1 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to nearly five million people with life, disability income and long-term care insurance, annuities, and wealth and investment management services. Northwestern Mutual ranked 97 on the 2022 FORTUNE 500 and was recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2022.


Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Subsidiaries include **Northwestern Mutual Investment Services, LLC (NMIS)** (investment brokerage services), broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company® (NMWMC) (investment advisory and services), federal savings bank; and Northwestern Long Term Care Insurance Company (NLTC) (long-term care insurance). **Not all Northwestern Mutual representatives are advisors. Only those representatives with "Advisor" in their title or who otherwise disclose their status as an advisor of NMWMC are credentialed as NMWMC representatives to provide investment advisory services.**

[Download our fact sheet: Investing in Milwaukee, Investing in our Workforce](#)

[Download our fact sheet: Tax Incremental Financing](#)

SOURCE Northwestern Mutual

For further information: Julia Fennelly, 1-800-323-7033, mediarelations@northwesternmutual.com

Additional assets available online:  [Photos \(5\)](#)

<https://news.northwesternmutual.com/2023-02-02-NORTHWESTERN-MUTUAL-ANNOUNCES-500M-INVESTMENT-IN-DOWNTOWN-MILWAUKEE-CAMPUS>