

Three industrial buildings planned at Holy Hill Road near I-41 in Germantown

Would total approximately 800,000 square feet altogether

By Alex Zank - Mar 8, 2021 1:11 pm



The Capstone Quadrangle development site now consists of farmland south of Holy Hill Road.

The land along Holy Hill Road east of I-41 continues its transformation from farm fields to an industrial zone.

The latest development plans for the area call for three industrial buildings totaling 800,000 square feet south of the Holy Hill Road, across from **Gateway Corporate Park**.

Waukesha-based **Capstone Quadrangle** is the developer behind the proposal.

The development consists of one approximately 200,000-square-foot building and two approximately 300,000-square-foot buildings, Mike Faber, principal of Capstone Quadrangle, said.

Construction on the first building could start as soon as this summer, he said.

Faber said the industrial market remains strong and that it's getting harder to find suitable properties to develop new industrial buildings. That's driving his firm's interest in the Germantown site.

"I think most decent land parcels have been developed or have other uses on them, and it's very challenging to find things within the metro area," he said.

Capstone Quadrangle so far has two prospective tenants for the buildings, though their interest is “very preliminary,” Faber said. The firm may choose to start constructing the buildings on a speculative basis.

Steve Kreklow, Germantown village administrator, said Capstone Quadrangle has so far submitted preliminary site plans for the structures.

If eventually built, the three new facilities would add to an active area for industrial projects.

Milwaukee-based Zilber Property Group is the developer behind Gateway Corporate Park. It includes a 706,800-square-foot building occupied by **Briggs & Stratton Corp.**, a 204,400-square-foot facility **for Smart Warehousing**, another 198,600-square-foot spec building and another planned spec building **totaling 146,000 square feet**.

Just east of the Zilber industrial park is the new 100,000-square-foot headquarters of **Dielectric Corp.**, and north of that is the new 240,000-square-foot **Illing Co. building**.

Faber said the industrial market was strong even before the start of the COVID-19 pandemic, and has gotten stronger since then.

He said a few things have driven this heightened demand: Adding more safety stock to their inventories, repatriation of supply chains to better shield companies against uncertainty, and growth in demand from e-commerce due to increased reliance on online shopping.

The development could also get village assistance through tax incremental financing (TIF).

Germantown’s Plan Commission and Joint Review Board are both scheduled to meet this evening to consider making changes to an existing TIF district that would pay for new infrastructure and other related expenses to facilitate the Capstone Quadrangle development.

Village officials created the 160.5-acre TIF district in 2017 to support the expansion of the **J.W. Speaker Corp.** campus, Kreklow said.

The village will now consider expanding the district by 170.9 acres and adding another approximately \$5.2 million worth of projects.

The money would go toward a new roadway segment, stormwater ponds, demolition, environmental cleanup and other expenses.

According to village documents, the additional developments will increase the overall property value within the TIF district by about \$44.2 million.

Kreklow said as part of the TIF district changes, the village has been in talks with updating J.W. Speaker's development timelines.

J.W. Speaker originally pursued four different projects related to its expansion, Kreklow said. The first was a new assembly building, which was completed in spring 2019.

The rest have been slowed down or paused due to the pandemic.

Kreklow said J.W. Speaker informed the village it intends to start soon an expansion of its manufacturing facility. But it is still working out a timeline.

It has put on hold its two other proposals, the construction of a new design center and a small conference center.

Read the March 8 issue of BizTimes Milwaukee here:

Alex Zank

Alex Zank covers commercial and residential real estate for BizTimes. Alex previously worked for Farm Equipment magazine and also covered statewide construction news at The Daily Reporter. He graduated from the University of Wisconsin-Eau Claire, where he studied journalism, political science and economics. Having grown up in rural western Wisconsin, Alex loves all things outdoors, including camping, hiking, four-wheeling and hunting.

