



Bear Development closes on purchase of Johnson Controls office complex in downtown Milwaukee

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Kenosha-based Bear Development has closed on its purchase of the Johnson Controls office complex in downtown Milwaukee.

Bear and Johnson Controls confirmed the sale of the complex, located at 507 E. Michigan St., occurred this week.

The property sold for approximately \$24 million, according to sources with knowledge of the deal. The Milwaukee County Register of Deeds office did not have a record of the deal available as of Friday afternoon.

Johnson Controls signed a lease with the developer to remain in the complex for two years. CBRE's Wisconsin office represented Johnson Controls in the deal.

The company first announced in January its intention to sell the complex and move its roughly 1,260 downtown employees to Glendale. The company has operated at the 507 E. Michigan site since 1902.

“Johnson Controls has officially closed the sale of its 507 E. Michigan Street campus to Bear Development,” Johnson Controls said in a statement. “The sale includes a two-year leaseback period, which gives Johnson Controls time to prepare layouts and configurations to host additional employees at the Glendale campus. Our real estate partners at CBRE are working with us as we reimagine the workplace and evaluate updates and improvements to our Glendale building.”



In an interview with BizTimes Milwaukee, S.R. Mills, chief executive officer of Bear Development, said the roughly 430,000-square-foot complex offers a lot of redevelopment opportunities. Plans are not concrete, but the firm has ideas of what uses could be included in the redevelopment project, Mills said.

The complex actually consists of a handful of connected buildings that were constructed between the early 1900s and 1999.

“Given the fact it was really seven buildings that have since been combined into one, there’s a lot of opportunity to have separate, unique spaces,” Mills said.

At least a portion of it will remain offices. Other potential uses include multi-family and hospitality, he said.

The fact Johnson Controls will remain in the building another couple years gives Bear Development time to study the market, Mills said.

Bear Development was attracted to the building due to its historic significance and its location within downtown, said Mills. The developer turned the old Button Block building a couple blocks away, at 500 N. Water St., into a Homewood Suites by Hilton hotel.

Mills said the Johnson Controls campus is well-located, close to Lake Michigan, the Historic Third Ward and I-794.

The Johnson Controls statement concluded, “We are encouraged with the outcome of this sale and excited to remain in the greater Milwaukee area.”