

Back Bay Investments  
1422 E. Albion  
Milwaukee, WI 53202

October 2, 2008

Mayor Tom Barrett and Common Council  
City Hall  
200 E. Wells St.  
Milwaukee, WI 53202

Re: Goll House redevelopment  
1550 North Prospect Avenue  
Milwaukee, WI

Dear Mayor Barrett and Members of the Common Council:

I am writing on behalf of my family and Back Bay Investments, our family owned real estate business, to voice our opposition to the redevelopment plans of the Goll house and encourage you to vote against the rezoning for a number of reasons which I have summarized below.

-Our family owns the historic property at 1537 N. prospect Ave. which was designed by the prominent Milwaukee architect Alexander Eschweiler, the same architect of the Charles Allis museum down the street. We did NOT receive written notice of the HPC and City Planning Commission hearings, but are clearly within the 200 yard boundary which is required by ordinance. Without in anyway detracting from that position, you may be interested to know that my mother Patricia Van Alyea managed to find out last minute about the hearing through a friend and did attend at which time she expressed her opposition. The bottom line is that by not receiving proper notice, we did not have ample time to prepare.

-The planned redevelopment including especially the attached high rise tower is an obvious desecration of the historic value of the property and a violation of its landmark designation as per the Milwaukee preservation ordinance. To our astonishment, the city attorney Grant Langley opined that the HPC should limit its jurisdiction to the building itself and not consider the site or proposed tower. Many of us think that this has very unsettling and deep implications for all landmark designated properties and is contrary to good legal judgment. Julia Miller, Special Counsel for the National Trust for Historic Preservation indicated in her September 12 letter to Patricia Balon that they are NOT in: "concurrence with interpretations of the Milwaukee Preservation Ordinance which would essentially vitiate its protections for other historic places by the limiting the authority of the Historic Preservation Commission and separating historic structures from the site upon which they are located as outlined by the Staff Report and the opinion of the city attorney." They further indicated that: "According to the National Trust's reading of Milwaukee's historic preservation law, set forth at MCO § 308-81. the Historic Preservation Commission (HPC) has jurisdiction over the entire Goll House property and thus a

Certificate of Appropriateness is required for all changes to the property, not just those changes directly affecting the exterior of the Goll House.

-You may not know, but before the city attorney even opined to limit the jurisdiction on September 9, 2008, the developer's COA application did not even include any information on the proposed high rise. Not only was this extremely brash of the developer, but it was very likely illegal, because it was in direct violation of the requirement that the HPC, City Planning Commission and the public be given 13 or so days to review the application before a public hearing.

-The City Plan and Historic Preservation Commissions voted to approve the project at the September 15th hearing without further presenting any findings or explain the reasons for their approval.

-The project would extend over the bluff thus destroying the natural ecology of the bluff, threaten Milwaukee County's Oak Leaf Trail and bike path and part of the bluff overlooking Lake Michigan. In addition, the project would seriously reduce green space and replace natural space with a five story concrete parking garage and other so called "improvements."

-The Planning Commission has NOT adequately studied the traffic impact: The project will add traffic to an already congested corridor and create new challenges to cars going in and out of the site as well as traffic turning onto Prospect from Albion.

-The Planning Commission did not perform a shadow impact study. A 25 story high rise will cast a shadow over our house across the street and other homes within a wide area.

-The project is another misguided example of spot zoning, since the existing RM-7 zoning allows only for a much smaller building.

-The project was conceived wrongly on the basis that the current owner has no other alternative to raise money to restore and preserve this designated landmark. Little time or real consideration has been expended. There are plenty of adaptive reuses for this historic landmark, which have not been fully explored. We own a number of historic properties in the North Point neighborhood, including the aforementioned 1537 N. prospect, houses on Terrace Ave., Back Bay and Wahl Avenue, most of which were mansions my grandfather, the prominent architect Thomas S. Van Alyea, and my esteemed father redeveloped into duplexes or triplexes in order to preserve the architecture and landscape of the neighborhood. Like these properties, the Goll house should be converted to apartments or office, even if it would mean the existing developer would have to write down his investment. It is not surprising that he has taken the position that the house cannot be restored unless he builds the attached high rise, because he obviously overpaid for the site with the intention that he would be able to build another condominium high rise once he gets the approval to rezone the site. However, given the near term impossibility of New Land building this property, it is not the responsibility of the City to bail out the developer by allowing them to sell a rezoned property to another developer or to otherwise improve the value of the site through the rezoning without consideration for the facts that the project will not get built in the short term and the Goll house will not get restored.

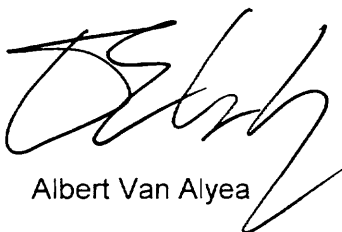
-The City has not adequately evaluated the true economic feasibility of this project and totally ignored the downside risks it would actually impose. The premise that this project will add \$60 million to tax rolls is totally unsupported by the information which has been presented to date and ignores the current and near term market conditions. The City of Milwaukee condominium market

is already overburdened. There are over 36 projects actively selling units and an immense surplus of oversold units with very little absorption. Another tower would only put downward pressure on condominium values, the value of our house across the street as well as the values of immediate neighbors at 1522 N. Prospect. The project has already resulted in lower tax assessments for north facing residents of 1522 N. prospect. The theory "if you build it, they will come" simply does not hold up. It has been reported per my conversation with the lender and as confirmed by other sources that the neighboring 300 unit twin 20 story condominium impending disaster called Park Lafayette is only 15% pre-sold. There is already a movement by the developer of Park Lafayette to ease the burden of numerous unsold units by converting them to rental apartments. Given the wide discrepancy between rental and ownership costs today, one does not need to be an economist to know that it's value is under extreme pressure and the developer is scrambling to minimize unplanned rising interest, RE taxes and other project carry costs. If such a conversion to apartments were permitted it would be devastating to the community and cause a massive deduction to the originally proposed addition to the tax base. This is the same fate the Goll House redevelopment condo high rise tower would take, if it could even ever get built.

- I have been in commercial real estate finance for over 12 years and can say with conviction that, the Goll house project could not possibly get built in the near future, because credit for new construction high rise condominiums is extinct. As you may know starting in August 2008 the residential sub-prime market collapsed and financing for new projects came to a grinding halt. This turmoil had reverberations throughout the credit markets which spiraled to the point we are at today. We are experiencing the biggest financial meltdown since the great depression and there is no credit for new construction high rises in the foreseeable future, least of all because there is a major oversupply of condos already burdening Milwaukee.

In summary, there are so many reasons why this rezoning application should not be accepted, and they all show how this project as planned violates the greater good. I sincerely hope that you will do the right thing and vote against this project or at minimum demand that the rezoning include a \$1 million escrow to ensure the house gets restored while we all wait for the financial and real estate markets to stabilize.

Sincerely,



Albert Van Alyea