

To: Alderwoman Coggs
Milwaukee City Planning Commission
Zoning, Neighborhoods, and Development Committee

June 7, 2016

Re: Proposed Historic Brewers Hill development by Royal Capital Group
(File Nos. 160113, 160114, & 160115)

Dear Alderpersons and City Planning Commission members:

My purpose for writing you is to express my concerns regarding Royal Capital Group, LLC's (hereafter, RCG) proposed developments for the Historic Brewers Hill neighborhood. My wife and I have lived in Cobbler's Lofts Condominiums since June of 2011, when I purchased our unit. One of the main reasons we chose our home was because of the open space and calm the neighborhood provides. Having previously lived on the Eastside along N. Prospect Ave., I appreciated the historic buildings and "close-knit" neighborhood feel of Brewer's Hill. This closeness is a trait that, I fear, will suffer irreparable damage should RCG's plan move forward. Below, I have listed four main concerns surrounding the project and four related lines of questions stemming that must be addressed prior to this project moving forward.

My first concern lies in the number and type of units RCG has proposed. According to the last informational meeting held by RCG—on May 20, 2016—a vast majority (upwards of 90%) of their buildings' units will be one-bedroom rental units, ranging from 580-740 sq. ft. per unit. Further, according to the proposal's Notice of Public Hearing, an additional 154-plus units will be added to the area. This means that there will be a significant increase in the number of, not only, people in the neighborhood, but also in the number of cars present. Also at the May 20th meeting RCG stated that each unit will have access to approximately 1 parking spot, however, this plan does not take into account units where more than a single individual resides (e.g. cohabiters and couples). As a result, the additional cars must park somewhere else. Currently, there is limited access to street parking in much of the area affected by the proposal (primarily E. Brown St., N. Hubbard St., N. Kilian Pl., and E. Reservoir Ave.) due to night parking rules and the sheer number of people already residing in these areas. Further, on weekends, it is hard to find parking on N. Hubbard St., between E. Reservoir Ave. and E. Brown St., due to the numbers of people visiting friends in the condominium/apartment complexes and nearby businesses. This issue will only be exacerbated, should these plans be approved.

Linked with the inevitable parking issue is my concern over the types of units proposed. Again, RCG has stated that most of the units will be small one-bedroom units. As you know, Brewer's Hill is mainly comprised of single family homes, with periodic duplexes, and a limited number of multi-unit dwellings, such as Cobbler's Lofts. The individuals who reside in these homes are primarily families who moved to the neighborhood to escape some of the noise associated with city life while still being able to enjoy the conveniences associated with city living. Further, many of these residents own their homes, which creates a stable dynamic for the neighborhood. Multiple buildings of one-bedroom rental units directly put this stability at risk. Not only will there be increased traffic associated with the frequent change of residents—moving trucks, etc.—, but there will also be little attachment to the neighborhood among the new

residents. Various research in criminology and sociology show that when someone isn't invested in a neighborhood—say, via home ownership or long-term residence—they are more likely to care little about what happens in it. Such disconnect can show itself in seemingly innocuous, but disruptive, ways such as playing music loudly or having loud conversations in public areas at night. However, this disconnect also lends itself to the potential for increased crime. With increased moving traffic and rotating tenants, individuals become less aware of who lives in the neighborhood, creating the potential for increased thefts as building residents may mistake a burglar for a new resident should they encounter them in the hall.

The potential for increased crime brings me to the final point of my first concern, the demographic group RCG has identified as their primary targets: single, young professionals in their early twenties. Basic crime statistics show that young individuals are more likely to cause, and be the victims of, crime; whether it be due to the fact that they're staying out later than most of the population, or are not as aware of their surroundings. Much of the multi-unit buildings currently in the neighborhood are comprised of more professionally established individuals who have sought out a place to avoid the hassles of living with the targeted demographic. Individuals fresh out of college who are now gainfully employed are still trying to figure out how to be adults. While they may be responsible workers during the week, they may still throw large, loud parties on the weekends. This is not a statement of distaste towards this demographic, I was in my early twenties once myself, but it illustrates a generational culture clash in this situation. Brewer's Hill is mainly comprised of people who are no longer seeking that lifestyle and are, instead, drawn towards the more laid-back surroundings of a small neighborhood.

- The density issue brings me to my first set of questions: **Is our neighborhood infrastructure able to handle this significant increase in use?** Our streets are fairly narrow and contain roundabouts to control traffic speed, will these have to be widened or eliminated to accommodate the increased traffic? How will our sewer, water, power, and communication systems handle this increase? Will more street lighting be installed to help ensure public safety? Are the police of the already busy 5th District going to be able to make additional patrols to account for this population increase? If the infrastructure cannot currently handle these changes, how and when will they be addressed?

My second point of concern lies with RCG, itself. Other than a few less-than-stellar apartment reviews for some of their co-owned properties in Madison, WI, there is little that can be publicly learned about the group. Google searches don't turn up any information other than local business journals noting the potential development project. As of this letter, no business website can be found. During the May 20th meeting mentioned previously, a question was asked as to whether this was the group's first sole development project, since no one was able to find the information online; not an unfounded question as this project has a significant price-tag attached to it. RCG's representative failed to directly answer the question, instead pointing to the fact that RCG was the "majority stakeholder" in its prior projects. I may not be a real estate broker, but I do understand that there is a *significant* difference between co-stakeholder and sole developer. As this is RCG's first major project, I am not convinced that they have the knowledge to accomplish their goal. One of my biggest fears, should this project be approved, is that RCG gets halfway through its construction, runs out of money, and is forced to abandon the project, thus leaving the neighborhood in a worse situation than it was prior to the construction starting

by abandoning unfinished buildings on the lots. Further, RCG's representatives have not shown professionalism in their dealings with those concerned with the project. For example, our building's management company repeatedly tried to contact RCG when they found out the RCG was drilling for soil samples on the lot adjacent to our property. No returned phone calls or e-mails were received, essentially shutting our management company out of the discussion. When questions critical to the project are asked during public meetings, queries are met with condescending remarks and non-answers. This lack of professionalism and lack of company history signals to me that this is not a company that can be trusted, as it refuses to actively answer to criticism or provide insight into the process. One area RCG has listened to concerned residents on is their original design plans for the buildings, which have, apparently, been changed to take those concerns into account.

- RCG's unclear history as a LLC leads to my second set of questions: **Who is this company, and perhaps more importantly, who's funding this project?** As of last night RCG's WHEDA application was still in the "information collection" phase, this suggests that their application process is nowhere near complete. This is an important factor given that they cite WHEDA funding as a main contributor to this project. Given this company's brief, and vague, history, it is highly unlikely that they are able to foot the bill themselves. Without this knowledge in hand, is it wise to approve such a controversial project?
- Given RCG's WHEDA status: **Why is there such a rush to approve this project?** Since RCG's WHEDA funding hasn't been approved, can they show how they will be funding this project in the meantime? Further, affected property owners received notice of the public hearing scheduled for June 13, 2016, yesterday (June 6, 2016). This is hardly sufficient time for the affected parties in the neighborhood—many of whom have, no doubt given RCG's communication history, first learned of this proposal from the notice—to understand the proposal and form their conclusions about it.

My third point deals with the changing environment of Milwaukee's near north side. There has been a recent boom of multi-residence units in this area. One only needs to drive on N. Water St. to see multiple under construction or currently being built. Recently, my wife and I counted the number of new buildings that have been completed within the last couple of years, or are currently under construction, and came up with nine cases; one case having just opened approximately two blocks east of one of the proposed sites. Much of this construction is targeting the same demographic as RCG's proposed project, which begs the question: is there really a customer base for these buildings? Many of these new buildings are not filled to capacity. Further, RCG noted that the rent for their units would lie around the \$1100-\$1200 per month mark. This is hardly a price-point that would be friendly to much of their proposed demographic, many of whom would just be graduating college. While they have, reportedly, applied for WHEDA credits, I strongly doubt that they make available many units for low-income Milwaukeeans.

- The changing dynamic of the near north side and the over-saturated one-bedroom market brings me to my final set of questions. First, **does this area of the city need more one-bedroom housing?** With the high number of new constructions, wouldn't it be wiser to

adapt the plan to include some multi-bedroom units? Linked with my density questions, is this historic neighborhood the appropriate place for one-bedroom units? How will this construction affect property values in the immediate surrounding area?

My final point of concern stems from the precedent potentially set by this project. RCG's plan is a significant deviation from a previously approved plan for the concerned areas (see File No. 030622). The previous proposal included plans for multi-bedroom units and townhouses, in an effort to match the look and feel of the neighborhood. This plan never fully came to fruition as it was considered a poor fit for the Historic Brewers Hill neighborhood due to multiple citizens' concerns revolving around many similar points, including neighborhood density and fit with neighborhood. Similarly, RCG's current project creates a dangerous situation when considering the remaining greenspaces in the neighborhood. Will future ill-fitting plans be approved due to RCG's plan passing? How will approving this project affect the future look of the neighborhood? How will the local environment be affected? These are questions that the city must consider thoroughly before coming to a conclusion on this project.

In conclusion, I thank you for listening to my concerns regarding RCG's proposal. Obviously, my view of the project is very negative, not only from a personal standpoint—in potential loss in our property value and destruction of greenspace—but also a neighborhood standpoint. Further, the accelerated pace towards approval of this proposal paired with the apparent lack of due diligence by those tasked with making important decisions, is troubling. Decisions regarding this project should be delayed until a full profile of RCG can be created, their funding sources identified, and the impact to the neighborhood adequately assessed.

Sincerely,



D.J. Wolover

234 E. Reservoir Ave
Unit 213
Milwaukee, WI 53213

Email: dj_wolover@hotmail.com
Phone: 608-347-8997