



**HISTORIC BREWERS HILL**  
**NEIGHBORHOOD ASSOCIATION**

December 2, 2016

Michael J Murphy, Chair  
Judicial and Legislation Committee  
City Hall  
200 E. Wells Street  
Room 205  
Milwaukee, WI 53202

Cavalier Johnson, Vice Chair  
Judicial and Legislation Committee  
City Hall  
200 E. Wells Street  
Room 205  
Milwaukee, WI 53202

RE: Judiciary & Legislation Committee Meeting – December 5, 2016  
Item #8 / File # 151808  
Substitute Resolution authorizing the return of real estate located at  
1851 N. 2nd Street in the 6th Aldermanic District to its former owner  
Reservoir Properties LLC)

Dear Chairman Murphy and Vice Chair Johnson,

As a follow up to letters provided to the Committee on May 13 and September 28, 2016, we would like to advise the Committee that the Historic Brewers Hill Association (HBHA) continues to strongly oppose the return of this property to its former owner. We firmly believe the City of Milwaukee is in the best position to ensure that this property is sold to an owner that will occupy it and be a positive contributor to the stability of the Brewers Hill neighborhood.

The HBHA met with the petitioner, Mr. Robert Chandler of Midwest Commercial Funding, on November 15, 2016 to learn more about his request and plans for the property if it were to be returned to him. Based on this meeting, serious new concerns were raised about the impact on Brewers Hill if this property is turned over to Mr. Chandler and Midwest Commercial Funding. Following are these new and continuing concerns:

- During the meeting, Mr. Chandler demonstrated a severe lack of understanding of our historic neighborhood. Specifically, Mr. Chandler walked us through a financial model that would lead us to believe that he is severely over valuing the property that he is seeking to gain, which will not lead to an owner-occupied sale, which is the

desired goal.

In sum, Mr. Chandler's (MCF) financial model reflects selling the property for \$300,000 to \$400,000 in order to recoup his investments. Property values for similar homes that need extensive updating in Brewers Hill have never seen those heights. Our concern is that if he markets the property at those prices and it doesn't sell, then our neighborhood will be left with a vacant property or a non-owner occupied home. Within a one block radius of the property, two houses have been listed on the market at or near \$300,000 for the last six months. These properties are substantially larger in square footage, contain finished interiors, and yet they remain unsold.

- During the November 15 meeting with neighbors, Mr. Chandler demonstrated a sincere lack of concern about our historic neighborhood. Paraphrased, his comments were that he does not live in the City of Milwaukee and does not really care about our neighborhood, as this is just a financial transaction. We take great pride in our neighborhood and this callous approach by someone seeking to have property that they do not own given to them by the City seems brazen.
- Mr. Chandler confirmed during our meeting that his company owns the properties located at 1921 & 1923 N. 2<sup>nd</sup> St. These properties have been nuisance properties in our neighborhood for years. He told us that he was currently in the process of rehabbing these properties and would be seeking to sell them once completed. We expressed strong concerns to him about the quality of the "rehab" work currently being done of these properties. One need only drive by these boarded-up properties to observe their dilapidated condition. If this is the quality of the work that we can expect, we can only assume the worst for 1851 N. 2<sup>nd</sup> St. Additionally, it appears to us that he is in violation of the Certificate of Appropriateness (COA) that was issued for the work he is performing on 1923 N. 2<sup>nd</sup>. We have contacted the Historic Preservation Commission to investigate, but this is yet another red flag and great concern.
- During our meeting with Mr. Chandler, he discussed the fact that he was willing to agree to certain terms to regain the property. Specifically, to complete the interior rehab, including new windows within six months once required approvals are obtained from the City. He agreed to list the property for sale within this same six month period and would only sell the property for owner-occupancy. While this all sounds wonderful and in-step with what our neighborhood desires, we have great concern about his willingness to follow through on these promises. Whether his inability to do so is financial or otherwise, we are being asked to "trust" that he will do what he says he will do.

We understand that there may be contractual agreements signed, but in reality, we highly doubt that the City of Milwaukee will litigate this matter when Mr. Chandler

defaults. Respectfully, in light of the enormity of the problems that the City of Milwaukee faces and its current resources, we respectfully believe that litigating this property would be a low priority for the City. Without the backing of a court order, Brewers Hill residents will again be left with an unfinished blemish on our neighborhood or worse.

The issue of credibility is further called into question based on Mr. Chandler's failure to provide the HBHA a list of other similar properties that his company has successfully rehabilitated and sold. This was an offer that was made by Mr. Chandler and to date we have received no information on this topic.

- Finally, during our meeting there were a number of questions about Mr. Chandler's business model and how he found himself in this position. Mr. Chandler communicated to us that his business model is one based on risk. He explained himself that this model brings him into contact with non-credit worthy and sometimes unsavory individuals. He further stated that the rates he charges these types of borrowers is how his business makes good money and that losing this property to the City was an error of timing as he intended to file a deed, but didn't do so in time. He took a risk, he lost, and he failed to mitigate that risk by effectively managing his business. The City, thankfully, took possession of the property and now we have a hope that this perpetual blighted property may once again be a positive for our neighborhood. Please do not allow this opportunity to slip away from the City's control.

To maintain inviting and stable neighborhoods in our great City, we must trust in the processes the City has defined for abandoned and blighted properties. The HBHA strongly feels **the City process to maintain control of the property and sell to an owner occupant is important** - more important than recouping from Mr. Chandler the expenses associated with the property for the cost of the rehab, back taxes, and fines. To solely base financial interests over neighborhood stability is not an acceptable approach for the City to strengthen neighborhoods.

Sincere regards,



William Jenkins

President

Historic Brewers Hill Association

cc: Ald. Coggs (via mail)  
HBHA Board of Directors (via email)