



September 7, 2017

The Milwaukee Common Council  
Via e-mail: mkecommoncouncil@gmail.com

Re: 1550 N. Prospect and Related Financing Opportunities in Milwaukee

Dear Members of the Milwaukee Common Council:

The possible development of the site at 1550 N. Prospect is a situation our bank has been monitoring. While Park Bank does not take a position regarding any currently pending proposal for this site, we would like to make a couple of general observations.

Firstly, in our view the availability of conventional construction financing for apartment projects, especially in the downtown area, has become increasingly limited over the past twelve months. While several factors account for this trend (especially the increasing supply of units relative to underlying demand for units), the reality is most developers would find securing construction financing for a large rental property project on Milwaukee's east side an extremely difficult task, and most banks would have the same difficulty funding such a development given regulatory constraints.

Secondly, and on a more positive note, additions to a project's equity capital via tax credit-related financing alternatives could prove beneficial to any developer seeking to rehabilitate the Goll Mansion and/or build some type of commercial property (e.g. a niche condominium project), in combination with a refurbishing of the Mansion.

In closing, we are supportive of activities that can lead to jobs, increase the local tax base and are economically viable for all concerned. We at Park Bank feel that selecting the right developer for the right project is the most effective way to achieve all of those desired outcomes. We look forward to continue monitoring the situation on Prospect Avenue and look forward to the possibility of playing a role in the revitalization of the site.

Very truly yours,

Craig A. Schmutzer  
Senior Vice President  
Commercial Banking