



Austringer Capital Group, LLC

May 4, 2018

Mark Opitz
City of Middleton
Department of Planning & Zoning
7426 Hubbard Ave
Middleton, WI 535632

Re: Proposed Changes to The Addison Development
6824 University Avenue
Middleton, Wi 53562

Dear Mr. Opitz,

I am writing this letter in regard to recently proposed changes to Austringer's "The Addison" development located at the address above. When we moved our business to Middleton last September and began this process we had one goal; adding something positive to the community we now call home. With that in mind, we set out to develop the property our offices are now located on, as well as the two adjacent blighted lots to the east (6824, 6818, and 6814 University Ave respectively). In keeping with the City of Middleton's vision for the area, our goal has been to revitalize these long vacant properties through urban infill development.

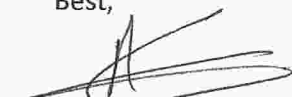
After decades of witnessing the harmful effects of urban sprawl, conventional wisdom has shifted to highlighting the benefits of developing unused urban spaces in order to preserve wildlife and crucial farmland. The high cost associated with such projects, however, is the downside to this approach and is why these properties have remained vacant and blighted for so long. Additionally, the price of materials and a shortage of labor in Wisconsin have led to significantly increased costs for projects of this nature, costs which continue to rise.

Recently, there have been several suggestions for changes to our development plans. Most prominent among these are calls for reducing the building's overall height from 4 stories to 3. For the same reason that the costs of infill development caused these properties' long vacancy, removing a full story and thus all the units therein would likely prevent its viability now. This would require the loss of 11 apartments, roughly one third of the total, and all of the revenue associated with those units (and thereby reduce the ability to support the debt required to build an urban infill development).

To that effect, a reduction of this scale would require a complete redesign of the project. As you are well aware, it is not simply a matter of cutting off either the top or bottom floors. A redesign of this magnitude at this stage of the process (post-review by a public meeting, the City's Work Force Housing Task Force, the Plan Commission and the City of Middleton Common Council) would likely require approximately \$650,000.00 of City or County subsidy to assist with closing the funding gap such a change would create in an urban environment.

I'd like to thank you, and the entire City staff for the professionalism demonstrated throughout this continuing process of improving this community we all share.

Best,



Anthony J. Gray