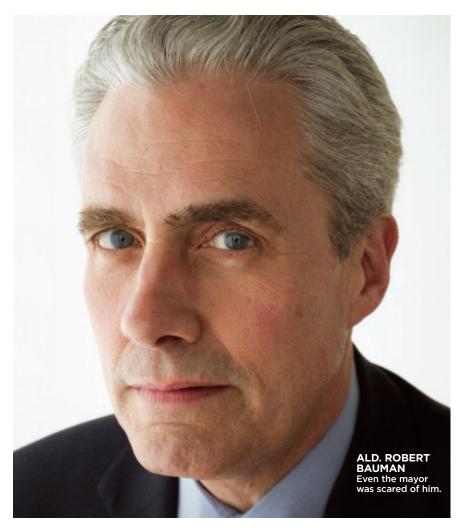
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# **Fiasco**

The proposal for a new Marriott Hotel became a battle between Ald. Robert Bauman and Mayor Tom Barrett. Everybody lost, including anyone who cares about architecture. STORY & PHOTO BY TOM BAMBERGER

David Uihlein grew up in old-world splendor. The Pabst, Brumder, Trostel, Bradley, Pfister, Vogel and Uihlein families intermarried like the kings and queens of Europe, and built great buildings. His father collected antique cars and his mother collected art. And their son became an architect with a bent toward historic preservation.

"I was born with a passion for the work I do," Uihlein explains. "I'm a homer. I love the lake and Lincoln Memorial Drive. I love all the old buildings made with beautiful materials we will never see again."

In 1982, Uihlein bought the McGeoch Building, the six-story heavy timber frame and brick structure on the northwest corner of East Michigan and North Milwaukee streets. After two years of restoration, Uihlein moved in and started his own firm, Uihlein-Wilson Architects, specializing in the adapted reuse of historic buildings.

The historic preservation movement in Milwaukee grew up around him. In the late 1980s, Uihlein's building became part of a three-square-block historic district. An ordinance created the Historic Preservation Commission (HPC), a seven-member

commission of citizen volunteers appointed by the mayor that recommends to the Common Council buildings and sites worthy of protection from ill-considered destruction or modification. Over time, maintaining the authenticity of old buildings proved a way to raise the value of real estate in Milwaukee.

But historic preservation requirements can add costs. Uihlein had his eye on the Pioneer Building next door to his and tinkered with schemes to restore it. "But they didn't work," he confesses. "I would have lost my shirt. I always wanted to do something, but I procrastinated," he laments.

The three-square-block district might have been historic, with many 19th-century buildings but it had essentially become a lowlying slum bookended by the 30-story 411 Building on the east and the 22-story Chase Tower on the west. Most of the properties remained moribund for decades, even during the Downtown condo boom.

Then, out of the blue, came Mark Flaherty and Ed Carow of Jackson Street Management with a proposal that astounded city officials. They wanted to buy four buildings on Milwaukee Street, including the Pioneer, and two on Wisconsin Avenue, then tear most of them down and build a new Marriott Hotel that would wrap around the Johnson Bank building on the southwest corner of Milwaukee and Wisconsin. Never had anyone proposed destroying so many historic landmarks in Milwaukee. The project was all the more audacious in its sheer scale and because Flaherty didn't want a dime of subsidy from the city - at a time when most developers were having trouble getting any financing for new projects.

Uihlein opposed the project, and he was soon joined by the HPC, historic preservation groups and Downtown Ald. Robert Bauman. Bauman's opposition in particular would outrage Flaherty and generate stinging criticism from the media, including talk radio. Bauman became the target of an attack that insiders say was orchestrated by Mayor Tom Barrett. As the controversy grew, everyone seemed to misunderstand each other's motivations.

But when you look behind the controversy, the villains largely disappear and nearly everyone's motives seem more honorable. What emerges is a mayoral administration that offers weak leadership on such issues, with everyone wrongly blaming the "process" for the problems. Amid the hubbub, there was no time to consider how the quality of the building might fit into the future of the city.

Mark Flaherty Sr. moved his family from New York into Milwaukee's Schroeder Hotel in the 1960s to help Joe Zilber, who had uncharacteristically paid too much for the hotel. Flaherty had gotten to know some of the real estate moguls from Milwaukee at the Sands and Desert Inn hotels in Las Vegas, which he was running for Howard Hughes. His son followed dad into the hotel business. Jackson Street Management's parent company, Wave Development, is best known for constructing or renovating water parks and suburban hotels like the notorious hideout for Wisconsin's Democratic legislators, the Best Western Clock Tower Resort in Rockford, Ill.

They got interested in Downtown Milwaukee, according to Flaherty, "after we saw independent studies that said there were return for such investments.

Because the Common Council customarily defers to aldermen on issues in their respective districts, the first stop was a meeting with Robert Bauman. Elected in 2004, Bauman is the only lawyer on the council, and he's built a reputation as an astute insider who's used his grasp of legal issues to back historic preservation and developments he considers positive additions to the cityscape.

Flaherty was stunned by the meeting. As he describes it, it started with Bauman vowing "This will never happen," and ended with, "Now get the f--k out of my office." Bauman offers a far less colorful account, noting the project seemed too vague to justify tearing down six historic buildings. "They just had one of those letters of intent

Flaherty says he presented his project to Jakubovich "at the idea stage" and was taken aback by the reaction. "He was out of control, he laughed at me," Flaherty recalled. "Jakubovich said, 'You are wasting your time; there is no chance this will ever get done." Jakubovich is hardly suited for outreach to business leaders, observers suggest. "Paul is a technician, not the guy you want talking to developers," says one.

These meetings were "torture," Flaherty says. "I'm not going to let some wild bureaucrat control my life. My partner and I are feisty guys." They had already hired Moira Fitzgerald, a lobbyist well known to the Common Council, to help sell the proposal. Now they went for a bigger gun, adding Evan Zeppos to the team. Zeppos is a silky smooth operator who has handled





not nearly enough hotel rooms in Milwaukee." Flaherty and Carow's first urban project was the Aloft Hotel on the Milwaukee River north of Juneau, which they took over from other developers. The deal was sweetened by \$10 million in federal new market credits and \$2 million in combined help from the city and the state of Wisconsin.

But Flaherty and Carow had never built an urban hotel from scratch, much less in a historic district. Unlike developers in town with longer track records, they were naive enough to believe it could be done. Amid an epic recession that busted the banks, the partners would have to go elsewhere for financing and latched on to the federal "EB-5" program, gaining much of the estimated \$50 million in financing from Chinese investors under a complicated law that rewards foreign citizens with green cards in

from Marriott with an escape clause," Bauman noted. What if they used the clause to opt out after all the buildings were torn down?

The next stop for Flaherty was Paul Jakubovich, the staff person at the HPC who writes studious

reports about the historical significance of buildings. Think of him as the most meticulous teacher in your high school, the guy who taught history and shop class. For Jakubovich, there is always a precise way to do something, and his detailed reports help reinforce the HPC, whose approach usually follows the lines of the TV show "This Old House" - make a plan, then use appropriate materials and craftsmanship for a porch on a vintage bungalow or a doghouse in a historic district.

The Marriott project's original proposal (left), what was finally approved by the city (right), and Mayor Tom Barrett, whose main concern was getting it built, not its design.

a long list of elite clients over the years and whose firm earned more than a million dollars in fees from the stadium authority that oversees Miller Park.

When Flaherty met with Barrett and Rocky Marcoux, the commissioner of the Department of City Development, the city officials were incredulous that so ambitious a project would be built with no subsidy. But after getting assurances regarding the financing, Barrett gave the developers his blessing. "No one in their right mind

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could refuse a new four-star hotel project Downtown that was not asking for any city money," says the mayor's chief of staff, Patrick Curley.

But from there, the mayor told the developers to go through the approval process. When John Norquist was mayor, the process started with, "Go see Peter, he will make it better." City planners like Peter Park had the tools and expertise to put design before politics, which changed the chemistry of the process. It became an opportunity for collaboration rather than confrontation. Typically, Park made sure good projects happened.

But Flaherty has no recollection of meeting Vanessa Koster, the current head of Milwaukee's planning department. As one insider puts it, "architecture and urban design is not Barrett's deal."

Barrett seemed content to lead from behind. As Curley explains, he didn't want to arouse the historic preservation community.

Meanwhile, the issue got to the press, with Bauman declaring in November that the buildings Flaherty wanted to demolish had historic and architectural value. He suggested the developers consider other locations: "We have plenty of sites ... where they could develop to their heart's content."

But Bauman's "great idea, put it somewhere else" response was "not how development works," Zeppos countered. The Marriott company wanted to be on Wisconsin Avenue, east of the river, or there would be no hotel.

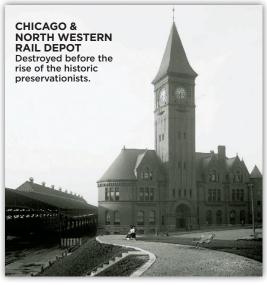
As the media tuned into the conflict, a common response was to dump on Bauman and the HPC as obstructionists. Milwaukee Journal Sentinel conservative columnist Patrick McIlheran and conservative talk radio hosts Charlie Sykes and Jeff Wagner all heaped criticism on Bauman and company, arguing they were short-sighted in rejecting the jobs and economic development that would accrue from the project.

Barrett might have tamped down the crisis by supporting his appointees at HPC who were doing exactly what he asked them to do - make a decision on the historic merits of an application. Their job is not to take jobs and economic development into account; that is the role of the mayor and Common Council.

As for Bauman, one city insider says Barrett and Marcoux were "very afraid to rock Bauman's boat."

There were consequences to crossing the alderman. Jakubovich and HPC used to report to the mayor and Marcoux's DCD, until Bauman convinced the council to move HPC to the city clerk's office a few years ago "to provide an independent evalu-

According to Jakubovich, some of his reports were changed by DCD without his knowledge, and the originals were surreptitiously deleted from his computer. Martha



Brown, DCD's deputy commissioner, denies these claims. But in a public meeting, Bauman got Carlen Hatala, who works with Jakubovich, to admit her report had been redacted to reflect DCD's position.

Barrett and Flaherty feared Bauman had weaponized HPC and were paranoid the big brawling lawyer knew the backwaters of city government better than anyone else. Bauman was a member of both HPC and the Zoning, Neighborhoods and Development Committee that would forward the developer appeal to the full council. Flaherty and the mayor worried Bauman could hold up the project in HPC indefinitely.

Bauman laughs at the idea. "I would never say that because it is not in the ordinance," he says, and quickly brandishes a hardcopy of the law that plainly states an application deferred by HPC was immediately appealable to the Common Council.

"Bauman was the only guy reading the

ordinance," explains a lawyer well-versed in municipal proceedings. "He was paying extremely close attention, playing very carefully by the rules. Bauman played HPC, the political and legal issues masterfully. He takes an issue and is not afraid to go with it. You could call that leadership."

It was frustrating to Flaherty: "Can you imagine if Bauman was for this? It would have been done in a minute." That would have saved Flaherty a lot of money. It would ultimately cost him hundreds of thousands of dollars in legal and lobbying fees to get his project approved.

> Bauman eventually came up with what he thought was a solution, an offer no one had previously refused: All the additional costs of saving the historic buildings would be covered by funding from a city Tax Incremental District. "You get your hotel, and the public gets some measure of historic preservation," he suggested.

> But to Bauman's surprise, Flaherty rejected this. That would give the city more leverage. "I want the control over my projects," Flaherty says. Moreover, Flaherty realized, a city subsidy would open the door to opposition by the Marcus Corp., which owns hotels like the Pfister and had in the past killed competitive hotel projects that requested city handouts.

Instead, Flaherty launched an attack on Bauman. Flaherty's lawyer, Tom DeMuth, made an open records

request for email correspondence between Bauman, Jakubovich and others.

Next, DeMuth filed a notice of claim in early December with the city attorney, asserting that Bauman's opinions were prejudicial and he therefore must recuse himself from the deliberations. The legal reasoning was cockeyed, to say the least. Bauman was, after all, allowed (and actually elected) to have opinions. The scheme crumbled, and Bauman went ballistic at the tactic. "They crossed the line," he fumes. "I will never talk to Evan Zeppos again professionally. It was an order of magnitude that never happened before. They didn't want to win, they wanted to crush us. They have acted in bad faith, and now this is total war."

But it's hard to imagine the highly diplomatic Zeppos hatching this idea. When pressed about this, he chooses his words carefully, saying, "We did it on the advice of counsel," meaning DeMuth, who declined

to comment about it.

Actually, the ploy may have been Barrett's idea. According to two sources, the mayor sent the city attorney's office on a black-ops mission. An assistant city attorney left his office and, from his cell phone, drafted a letter to himself - requesting Bauman's recusal - for DeMuth to sign.

Curley seems to be the only person who puts a positive spin on this letter. He reiterates its arguments, contending Bauman's influential committee assignments and strong opinions were a problem. "The letter was a sign of frustration with the process that Bauman made personal against the mayor and the developers," Curley says. Then he denies the mayor's office had anything to do with the letter.

Bauman did personalize the issue, telling the press on Jan. 5, "The mayor has no backbone and no vision. This has become well documented. Tom Barrett ... has absolutely no urban vision."

But this was a month after the letter demanding Bauman's recusal. It's not entirely clear who made it personal first, Bauman or Barrett.

The attack on Bauman helped trigger an extraordinarily reckless accusation from conservative talk radio host Mark Belling, who claimed Bauman and David Uihlein were part of a "cabal" of mostly Jewish power brokers who wanted to kill the hotel project on behalf of the Marcus family. Belling included Frank Gimbel, chairman of the Wisconsin Center District, in that cabal. While he is an old friend of longtime Marcus CEO Steve Marcus, Gimbel had written a letter of support for the Marriott project. Uihlein called Belling's claim a "complete fabrication," and Belling backed down. As for the motivations of Uihlein and Bauman, their concern about historic preservation has been documented repeatedly over the years.

What's ironic about all the attention given to Bauman is that his power is so limited. The Common Council can override any HPC recommendation and routinely does. "Other than [Ald. Nik] Kovac and me, the council will always vote for development," Bauman says, because they want the new property tax revenue that will be generated. Barrett surely knew this but was apparently buffaloed into thinking Bauman could somehow bottle up the proposal. In fact, Bauman had no legal

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way to pull it off.

Instead, over the objections of Jakubovich and Bauman, the commission finally granted approval of the project with one condition - a 15-foot setback that would align the hotel with the scale of the district. That was a "deal-breaker" according to Flaherty. The Common Council ultimately agreed, voting 13-2 to approve the project without the setback.

Everyone was a loser in the battle. Bauman lost on the merits. The mayor and DCD lost credibility. Historic preservation was pummeled for no good reason. Flaherty's company spent a lot of money needlessly. And advocates for urban design were left to ponder what might have been.

The historic preservation movement is a milestone in the development of cities in America. If the HPC ordinance had been passed 20 years sooner in Milwaukee, we would still have the Chicago and North Western rail depot, a beacon of industrial might and civic pride at the end of Wisconsin Avenue, instead of the much-maligned O'Donnell Park. Without the movement, the Third Ward could have easily become a shopping mall next to Summerfest.

Last October, just one month before the Marriott affair, historic preservation was declared a key part of Milwaukee's new Downtown area plan released by DCD. But the Barrett administration ignored its own plan, opponents pointed out, with respect to the Marriott.

Perhaps the most surreal part of this story is that there never was a real design at issue. The hotel's shape was determined by a building information modeling program that creates the most efficient volume for its 200 rooms and amenities. Everything else was negotiable. Flaherty's sole concern was to make a profit.

There was much debate over the competing versions of the two buildings on Wisconsin Avenue: One design was modern and one restored the historical facades. But this is largely beside the point. What will ultimately be known as the Marriott Hotel is where it faces Milwaukee Street. That 10-story, 25,000-square-foot facade on Milwaukee Street will stand between the five-story Johnson Bank building on the corner and Uihlein's six-story Mc-Geoch Building to the south. The most dramatic feature of the architect's presentation of the final design before HPC was

a "historical materials palette" that broke the neighborhood down into two grays and a mustard color he would play off in the hotel's design.

Toward the end of the process, DCD consultant Bob Greenstreet, who was in London at the time, made a suggestion that flattened the building's decorative frosting to accommodate an outline of the Pioneer Building - the cherry on the sundae to remind us a real building once stood on this site. And Flaherty cheerfully agreed to the change.

Either version of the Milwaukee Street facade would be unlikely to engage an architecture critic's attention because so little is at stake. Curley has talked about trying to reform the city's procedure for handling historic preservation, but the real issue is that there is no inclination by the mayor to ensure that any project, whether historically informed or modern, aspires to architectural excellence. With a more proactive mayor, perhaps the developers and planners working together could have come up with some brilliant solution that would have changed the shape of the debate (or at least might have saved Flaherty some

True, the difficulties of getting financing have lately put all the emphasis on getting any projects built, no matter what the design. But Barrett seemed uninterested in the question of design even before the economic meltdown, judging by how he handled the debate over redevelopment on Downer Avenue.

The irony is that the Marriott company did, in the final analysis, have an appreciation of how design can raise the value of a project. The company insisted its new four-star hotel be on the main street of Milwaukee for three reasons - location, location, location. The greatest symbols of wealth, ambition and culture in Milwaukee are concentrated in a short six-block stretch of East Wisconsin Avenue, between the river and the lake. The Pfister Hotel, Wells Building, Chase Tower, Railway Exchange, Wisconsin Gas Building, the old Federal Building, Northwestern Mutual, US Bank Center and the Calatrava rose to the occasion with their designs. The new Marriott will be the only building that didn't even try.  $\blacksquare$ 

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