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# Downtown Milwaukee streetcar funding plan advances

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A key Milwaukee commission on Tuesday approved two development districts that would raise \$49.3 million for the controversial downtown streetcar, support public spaces in the Couture and help attract a new business to the 3rd Ward.

The two districts represent a combined \$68.6 million in spending on infrastructure projects and new development. Prior to its endorsement by Milwaukee's Redevelopment Authority, one developer commented that the expansive proposal fits the sentiment of [Daniel Burnham's](#) "make no little plans" quote.

Included in the package is \$49.3 million intended to clear the path to construction for the long-debated streetcar. The spending also would provide needed financing to the \$122 million Couture high-rise, which was described as a central hub of the copious new development on the downtown lakefront.

The money would come from two tax incremental financing districts. Milwaukee's Redevelopment Authority on Tuesday approved the TIF plans on a vote of 5-0 with one abstention. The proposals will next go to the Common Council's zoning committee for consideration Dec. 9.

The streetcar is expected to stimulate more downtown development and increase the value of downtown properties. There are 26 acres of developable land along the route, said [Dan Casanova](#) of the Milwaukee Department of City Development. The streetcar also is expected to help attract tenants to older downtown buildings that do not have attached structured parking.

[Rocky Marcoux](#), Milwaukee development commissioner, listed envisioned benefits of the project, starting with confidence it can give to people making long-term investments in real estate development.

"The bankers know that on a 30-year note or a 20-note or whatever the maturation is, that

fixed rail is not going to move," Marcoux said. "Buses can be moved by basically the whim of a vote. Retailers benefit because it extends the distance that patrons are willing to travel. Tourists are obviously a huge opportunity for us, particularly with the lakefront portion of this."

The city anticipates a late 2015 construction start for the streetcar, which would be fully operational by mid-2018. Marcoux said planning will begin next year for envisioned extensions of the downtown streetcar into surrounding neighborhoods. Those would include lines reaching Bronzeville, Walker's Point, the University of Wisconsin-Milwaukee's main campus and Marquette University.

The streetcar spending includes \$22.7 million to pay for utility relocation costs. Depending on the outcome of a pending lawsuit, those costs could fall on the city or private utility companies.

One of the TIF districts also would raise \$17.5 million for public spaces in the Couture, a 44-story apartment tower that would replace the Downtown Transit Center at 909 E. Michigan St. The TIF money would pay for a public transit concourse for the streetcar in the building's base, pedestrian bridges and a large rooftop park and plaza.

The Couture would have 302 apartments, and bring 600 residents to downtown, said developer [Rick Barrett](#). He said his Moderne apartment high-rise in downtown Milwaukee is at 97 percent occupancy, and the demand in the market remains strong enough to support the Couture. The project also includes 54,000 square feet of restaurant and retail space in its lower level, and 570 parking spaces.

"We look at the lakefront now has having great bones, like when you describe a house, it has great bones," Barrett said. "There's the museum district that connects to the financial district which connects to the 3rd Ward district. We look at the Couture as almost a way in which people can annex through those three major, major, major areas. That's why we felt the restaurant and retail needed to be strong."

The lakefront TIF district, valued at \$48.65 million, would pay for the streetcar and Couture using increased property taxes generated by the apartment tower and the neighboring 833 East office building, which is under construction. If approved, it means property taxes on those buildings would pay for the TIF costs, instead of going into the general city coffers for other services, until 2035.

The final \$19.9 million in spending endorsed Tuesday would come from a TIF district in the city's 3rd Ward neighborhood south of downtown Milwaukee. That district would raise \$18.3 million for the streetcar. It also includes a \$400,000 incentive payment to an unnamed company that would move to the 3rd Ward for an expansion. There also is \$695,000 to build a segment of the 3rd Ward river walk and a riverside public plaza on East Erie Street near East Polk Street.

Reporter Sean Ryan covers commercial and residential real estate for the Milwaukee Business Journal and through the [Real Estate Roundup blog](#) on the website. He also covers construction, highways and public transit.