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Downtown Milwaukee streetcar could get \$49.3 million more, start construction next year

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Milwaukee Mayor [Tom Barrett](#) is backing a plan to raise \$49.3 million through two development districts to start construction on the controversial downtown Milwaukee streetcar and a spur to the lakefront by late 2015.

The proposal would raise more money for the proposed downtown streetcar using property tax increases generated by downtown properties along the line and new developments, including the Couture and 833 East office buildings.

"It's basically because economic development is occurring near these locations," Barrett said of the additional money. "So for people who don't like this, it is not relying on property taxes from Waukesha or Caledonia or someplace that doesn't like it or isn't going to ride it. We think it is going to increase the property values in and near the lines. We think it is going to increase the property values in and near the downtown."

The original downtown streetcar loop, minus utility relocation costs, would cost \$64.6 million. The new proposal adds money for the lakefront spur, and to potentially cover the cost of relocating underground utilities for the streetcar. Including spending for utilities and lakefront spur, the budget increases to \$113.9 million for 4.6 miles of track, Barrett said.

If approved by the Common Council, construction could begin in late 2015 with the downtown loop and lakefront spur in full service by mid-2018, Barrett said.

"We feel this is an exciting time for Milwaukee," Barrett said in an interview with the Milwaukee Business Journal. "We think there is a lot of momentum and we want the momentum not only to continue, but to accelerate. We believe that this will actually accelerate the momentum that you are seeing in Milwaukee. We've got a lot of young people who are moving into the city and moving downtown. We've got businesses that are expanding and more that are interested in

locating downtown."

The additional spending includes \$49.3 million that would come from two tax incremental financing districts the city will consider next month. Those districts would let the city borrow money to pay for the streetcar, and pay off the debt using taxes generated by increasing property values and new development.

The city also will seek a \$10 million federal grant for the streetcar that would be in addition to the proposed \$113.9 million, Barrett said.

One new TIF district at the downtown lakefront would cover the site of the proposed Couture apartment high-rise and **Irgens'** 833 East office building, which is under construction. That district includes \$31 million for the streetcar, Barrett said. That is in addition to \$17.5 million in TIF money for the public spaces in the Couture, which would have a streetcar stop in a large public concourse at its base. Other public spaces in the proposed Couture include a rooftop park and pedestrian bridges.

Milwaukee County officials in the coming months will consider whether to sell the Downtown Transit Center at East Michigan Street and North Lincoln Memorial Drive to Barrett Visionary Development for the Couture.

The remaining \$18.3 million for the streetcar would come from an amendment to an existing TIF district in the 3rd Ward south of downtown. That district, around East Erie Street on the Milwaukee River, also includes money for river walk and street improvements and up to \$400,000 to help a company expand or relocate in the area, said Milwaukee Development Commissioner [Rocky Marcoux](#). He declined to disclose the details of that potential business relocation.

The two TIF districts will be considered by the Milwaukee Redevelopment Authority on Dec. 2.

The two TIF proposals include up to \$22.7 million to pay for utility relocations for the streetcar, Barrett said. That would allow the project to proceed while a major question is unresolved.

Private utility companies argue the city should pay to move underground lines for the streetcar, and the **Wisconsin Public Service Commission** last month agreed. The city on Monday filed a lawsuit challenging the PSC ruling. If the lawsuit is successful, the city would either recoup the money or would not need to spend it in the first place.

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.