

Streetcar Straight Talk

Dear Neighbors,

Milwaukee is turning the corner into one of the most exciting periods in its history. Redevelopment is thriving, businesses and residents are rediscovering the value of being located in a bustling, urban cityscape and the city's leaders are driving this development with smart, forward-thinking initiatives and investments in Milwaukee's future.

One of the investments that has the greatest potential to reshape the city for the better is the Milwaukee Streetcar. Through the strategic use of federal grants and development tools, the city will soon begin installing this state-of-the-art people mover without having to burden property taxpayers with the expense.

The Common Council weighed all the facts, considered months of expert testimony and put a great deal of thought into the vote for this project. It really will be a benefit, not only to the city as a whole, but to those of us living on the South Side.

But there has been a lot of misinformation and misunderstanding about what this project is, how it will be paid for and what it will mean for the future of our city. As Milwaukee gets set to join other world class cities with the construction of this modern streetcar line, I've taken this opportunity to correct a few of the mistaken assumptions that I have heard perpetuated and answer some of the frequent questions.



Terry L. Witkowski
13th District Alderman

“How will the streetcar impact my taxes?”

This is actually one of the most exciting things about the streetcar—building it won't impact your property taxes one bit. The streetcar will be built and its tracks will be laid all without dipping into the city's annual budget.

Instead, the project costs will be paid through a mix of federal grants and “tax incremental financing,” known as “TIF.” The financial base is \$55 million in federal funding, designated by an act of Congress to pay for a downtown streetcar line. The remainder of the construction costs will be paid through TIF, a funding tool that allows the city to borrow money that is paid back by an increase in property values near the project. The \$122 million high-rise Couture and other developments downtown will provide that economic catalyst.

Once the streetcar is constructed, operating expenses will be covered through a combination of fares, advertising revenue, federal grants and revenues from downtown, city-owned parking meters and lots.



“How will it benefit us on the South Side?”

Whether they ride it or not, every taxpaying resident will enjoy the benefits of the Milwaukee Streetcar. It will not only create more than 720 construction jobs, but the development it drives will alleviate the tax burden citywide.

Any time a new building goes up in the city, it creates an additional source of revenue for the city's tax base. The more new developments the city has, the less every taxpayer has to pay in order to fully fund city services—and this is especially true of development downtown. While the downtown makes up only three percent of the city's area, it pays 18 percent of the property taxes. And with proposed multi-million dollar investments from the Couture, Northwestern Mutual, Johnson Controls and other major employers whose employees have asked for a streetcar, even more of the tax burden can be shifted to the downtown.

If every member of the Common Council voted only for projects that directly benefited their part of the city, every project would fail on a 14-1 vote. The streetcar offers a broader vision that looks to the future benefit of the city as a whole.

“Wouldn’t rubber tire busses be better?”

The economic advantage of a fixed-rail streetcar is that it’s permanent and constantly visible. Streetcars attract riders who rarely use bus transit because they’re easier to use and more comfortable to boot. But by drawing these new riders to public transit and creating links within the bus system, the streetcar will actually increase the use of busses as well.

The permanent nature of the streetcar line also creates a greater economic impact. Entertainment, shopping and culinary destinations that choose to set up shop near the streetcar can do so secure in the knowledge that the route is not ever subject to change. Other cities that have launched similar systems are seeing robust economic development and investment along the lines.

We’ve all heard from out-of-town visitors about how confusing it is to get around as a driver in Milwaukee’s downtown. Having an easy-to-navigate, clearly-visible car-free transit option will make Milwaukee a much more attractive destination for tourists and travelers, which will also be a significant boon to the local economy.

“Why are we building an ‘outdated trolley?’”

This isn’t your Grandpa’s “trolley.” Milwaukee is building a modern, sleek, comfortable, quiet and efficient transportation system; the people who insist on calling this project a “trolley” are the ones who are stuck in the past.

Out of the 30 U.S. cities with the most densely-populated urban cores, only Fresno does not offer some kind of fixed-rail transit system. As the 14th most densely-populated city on that list, Milwaukee’s streetcar line will launch it into competition with thriving cities like Portland, Denver, Dallas, Houston, San Jose, Miami and many others. Employers who are choosing where to build their headquarters seek centrally-located sites with easy access to other forms of transportation and a broad pool of creative talent. More often these days, those types of employees seek to live in a downtown environment with fixed rail transit.



As for concerns about how a streetcar will handle our rugged Wisconsin weather, they’re unfounded. Toronto, Minneapolis and St. Paul all operate wildly successful rail transit in climates similar to ours.

“Can’t we use the money for something else?”

No, we can’t. The \$55 million in federal grant money for the streetcar really is a “use it or lose it” proposition for the city, and it can’t be repurposed to fund roads, schools, police or anything else.

The U.S. Congress, in the Federal Omnibus Appropriations Act of 2009, designated \$54.9 million specifically for construction of Milwaukee’s streetcar. Recently, 4th District Congressional Representative Gwen Moore clarified in a letter to Mayor Tom Barrett: “The Federal Transit Administration made it crystal clear a few years ago that these funds must be used for the streetcar project. Any attempt to change the purpose for these funds would require federal legislation, a prospect that would face daunting obstacles, including earmark bands in the House and Senate and new fiscal and political realities here in Washington, D.C.”

Additionally, the Federal Transit Administration has verified in writing that the funds cannot be redirected and that they can only be used for capital projects.

“How can such a small route make a difference?”

With a 2.5-mile starter route that reaches from the lower East Side through the downtown to the Third Ward, and from the Intermodal train and bus depot to the proposed site of the Couture at the lakefront, do not underestimate the impact of this streetcar line.

But even so, it is just the beginning—the best route that the city can afford with the funds it has on hand. There will be opportunities to expand the streetcar in the future, increasing access to public transit and building upon its already significant usefulness. Proposed spurs could link it to the Marquette campus, Walker’s Point, Bronzeville and the upper East Side, providing easier access to residential, cultural and entertainment destinations citywide.

The most important connection for the streetcar to make, I believe, is the proposed spur through our part of town on the South Side. By linking the downtown to our neighborhoods and providing the city with a simple transit route to the airport, Milwaukee would cement its status as a truly modern city with cutting edge transit amenities.

