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Office of the City Clerk

October 4, 2011

Ronald D. Leonhardt
City Clerk

Jim Owczarski
Deputy City Clerk

Rep. Gwen Moore
2245 Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Moore:

As you are aware, in 2009 Congress allocated 60% of \$91.5 million in unspent Interstate Cost Estimate transportation funding intended for Milwaukee transit improvements to the City of Milwaukee for a downtown fixed-rail circulator (the remaining 40% was appropriated to Milwaukee County for energy-efficient buses). In July of this year, the Milwaukee Common Council and Mayor Barrett adopted a resolution approving the \$64.6 million, 2.1-mile Milwaukee Streetcar project and authorizing various actions to advance this project, including final design engineering, vehicle selection, resolution of utility issues and actual construction of the streetcar line.

At the same time the City of Milwaukee is proceeding with developing the streetcar line, the Milwaukee County Transit System's existing fixed-route bus service -- the backbone of public transportation in the Milwaukee area, with an average daily ridership of 138,000 -- continues its downward spiral of shrinkage and financial distress. From 2001 to 2010, bus service-hours were reduced by 22 percent, while the cash fare was increased by 50 percent. Not surprisingly, ridership plummeted from over 51 million in 2001 to 43 million in 2010. The recently passed Wisconsin State Budget will further compound these problems by reducing State aid to MCTS by \$6.8 million in both 2012 and 2013. It is estimated that a further 12% reduction in service may be required to adjust to this loss of funding.

It has been argued that a major benefit of the Milwaukee Streetcar is that it will stimulate economic development in the community. However, we contend that preserving and strengthening the MCTS bus system is far more critical to Milwaukee's economic health and growth. Riders of the Milwaukee Streetcar will be primarily downtown residents and employees, as well as visitors from out of town. The average streetcar rider will be employed, earn a decent income and have the option of using a private automobile to get to and from work. For many MCTS riders, on the other hand, the bus is their sole means of getting to work. MCTS buses travel throughout the community, not just downtown, and perform the essential economic development function of connecting persons looking for jobs with employment opportunities throughout Milwaukee County and beyond. If the already-struggling bus system is allowed to contract further,

Milwaukee's economy -- both employers and employees -- will be devastated by the inability to connect workers with job opportunities.

While the dubious economic development benefits of a downtown streetcar and the more-pressing financial needs of the Milwaukee County Transit System are the most significant reasons to oppose the Milwaukee Streetcar, there are certainly other arguments to be made against this small but costly transit project, including:

- The proposed route is not well-thought-out. It fails to connect any major destinations or trip generators.
- Passenger fares will cover only an estimated 22% of the streetcar's \$2.65 million annual operating costs. The remainder will be funded by City of Milwaukee parking revenues and yet-to-be-identified sponsorships.
- Initial streetcar ridership is projected to be 1,800 per day and 588,000 per year -- not even 2% of MCTS ridership.
- The cost of relocating underground utility lines to accommodate the streetcar line has been estimated to be as high as \$50 million. These costs will be the responsibility of either Milwaukee property taxpayers or ratepayers of the affected utilities.
- While the issue has not been put to a referendum, it appears that the majority of Milwaukeeans oppose the streetcar project: a June, 2010, poll by the Public Policy Forum found that fewer than 35% of respondents supported a downtown streetcar.

For all of these reasons, we are requesting that you introduce and urge passage of a Congressional act to redirect the funds that have been earmarked for the Milwaukee Streetcar to the Milwaukee County Transit System. Using these funds to bolster the heavily-used but financially-distressed bus system would produce a much greater economic development "bang for the buck" than investment in a small, unproven downtown rail line.

Please introduce this legislation as soon as possible, since work on the streetcar system is progressing each day, while at the same time MCTS is faced with looming service reductions.

Thank you for your prompt attention to this matter.

Sincerely,


Robert G. Donovan
City of Milwaukee Alderman,
8th District


Joseph A. Dudzik
City of Milwaukee Alderman,
11th District


Mark A. Borkowski
Milwaukee County
Supervisor, 11th District

cc: all members of Wisconsin's Congressional delegation