



Tuesday, Jan. 13, 2015

Mayor Tom Barrett on the Streetcar: 'I'm Betting on the Future of This City'

Milwaukee Common Council will vote on Jan. 21

"This is part of a larger vision," Mayor Tom Barrett told the *Shepherd*. "It's about keeping the momentum going in Milwaukee. And it's about fighting back."

Barrett visited the *Shepherd's* offices last week to talk about the long-in-the-works plan for a [Milwaukee streetcar](#), which will come up for a Milwaukee Common Council vote on Jan. 21.

To Barrett, the streetcar isn't just a new public works project. It's a way to settle a two-decade brawl over federal transportation funds and public transit, build on the [Lakefront Gateway projects](#), draw and retain a new generation of Milwaukeeans, and declare victory over people he says have "a history of hating Milwaukee."

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"This is part of a bigger thing that's going on here," Barrett said. "It's about the future of this city and what your view is about the future of this city."

Barrett pointed to ["The Young and the Restless and the Nation's Cities,"](#) a study by City Observatory that argues that millennials are moving to cities and spurring economic growth and revitalizing urban areas. Barrett wants to attract and keep these young professionals with, among other things, a strong public transit system. He argues that cash-strapped new grads will be saddled with student debt, opt to delay owning a home in favor of renting, and will want to take transit instead of owning or depending on a car.

Milwaukee's in the middle of the largest 51 cities in terms of young professionals who live in or near Downtown, according to City Observatory. Barrett took a look at the cities above and below Milwaukee and noticed something interesting—every city with a higher concentration of young professionals Downtown had a streetcar or light-rail system in the ground or in the works.

"I'm betting on the future of this city and betting on the young people to come and to stay," Barrett said.

A 20-Year Battle

If you think the Barrett is passionate about getting the streetcar passed, consider the obstacles he's faced from the "Milwaukee haters" and the roadblocks they're prepared to erect in the final weeks of the debate.

To understand the streetcar battle, you've got to go back more than 20 years, to 1991. Back then, the federal government awarded Wisconsin \$289 million to improve transit in the southeastern portion of the state. That was supposed to include a light-rail system to provide an alternative to driving.

That, obviously, never happened. Republicans fought it, complemented by something new to the area—right-wing talk radio.

Gov. Tommy Thompson eventually rejected light rail and, working with then-Mayor John Norquist and then-Milwaukee County Executive Tom Ament in 2000, came up with a grand compromise that allocated funds for the Park East, the Sixth Street Viaduct and the Marquette Interchange projects. Congress also took back about \$46 million of the federal money and \$91.5 million was set aside to

improve public transit—and only public transit.

That \$91.5 million sat for almost a decade, not keeping up with inflation or generating interest, while Barrett and then-County Executive Scott Walker were at odds over any kind of transit option that included fixed-route rail.

Fearing that the millions would languish forever, Barrett urged then-U.S. Sen. Herb Kohl and then-U.S. Rep. David Obey, both Wisconsin Democrats, to split the federal money so that 60% would go to the city specifically for a Downtown streetcar and 40% would go to expanding Walker's Milwaukee County Transit System (MCTS).

The \$54.9 million the city received is now being used to fund Barrett's 2.4-mile streetcar plan. If the city doesn't use it for a streetcar, we'll lose it.

"Would I have preferred that we built the 13-mile regional system we were planning in 1996?," said Ald. Robert Bauman, a streetcar supporter. "You bet. No question about it. By now it would be up and running for almost 10 years. We'd probably be debating extensions to the airport, extensions into Waukesha County. But given the limited resources available I think this is the best we can do. And I think it will work."

The Plan

Barrett sees the streetcar as integral to Milwaukee's revitalization. In his familiar pitch, Barrett points to all of the new and planned investment in the city—roughly \$5 billion that encompasses better lakefront access, new high-rises and up to 800 new apartment units Downtown—and argues that more public transit is sorely needed.

Under the current proposal, the starter route around Downtown and a lakefront line would cost \$123.9 million. About \$20 million of those costs, give or take a few million, are to move We Energies' infrastructure, an expense that's never been the city's responsibility until this project, thanks to conservative legislators and activists acting at the state level to kill the streetcar by driving up costs.

Barrett said that none of the streetcar's capital funds would come from homeowners' property taxes.

Instead, \$54.9 of the existing federal funds would be spent, along with an additional \$10 million in federal funds that Barrett argues will be released once

Additional \$10 million in federal funds that Barrett argues will be released once work on the project launches. The remaining \$59 million of the local share would come from tax increment district (TID) financing from Cathedral Square and the Third Ward and a new TID that encompasses the 833 East Michigan building, being developed by Irgens, and the planned Couture high-rise on the Transit Center parcel that Milwaukee County has agreed to sell to developer Rick Barrett. The Couture would include a transit link, including the streetcar, on its street level and become a lakefront transportation hub.

The streetcar's initial route and lakefront line would cost an estimated \$3.3 million to operate annually. About \$1 million would come from the farebox (the initial fare would be \$1) plus advertising revenue and sponsorships. The city would own the system but would contract out operations and maintenance to a private vendor.

Barrett hopes to link up the streetcar to MCTS's bus routes to provide an integrated transportation experience. He also hopes to expand the system across the city—north to Bronzeville and UW-Milwaukee, south through the Third Ward to the airport, and west to Marquette and beyond.

Barrett said he's been as transparent as possible about the streetcar's funding, in contrast to what's happening in Madison. Gov. Walker has gone on a highway spending spree and hasn't come up with a way to pay for **at least \$800 million** of his projects.

"The state is doing all of this highway spending and running a deficit—a deficit," Barrett said. "It hasn't figured out where the money is going to come from."

Right-Wing Backlash

The streetcar, like almost any other transit project in southeastern Wisconsin, has sparked a strong wave of opposition and misinformation.

Opponents of the streetcar include some prominent members of the far right, including talk radio; Brett Healy, president of the conservative Bradley Foundation-funded and Koch brothers-connected McIver Institute; the Bradley Foundation-funded Wisconsin Institute for Law and Liberty; and **Republican legislators** who wrote an anti-streetcar bill—Dale Kooyenga of Brookfield, Mark Honadel of South Milwaukee (since retired) and Leah Vukmir of Wauwatosa.

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They've opposed the streetcar in the state Legislature and before the state Public Service Commission (PSC), forcing the city to do something it's never done before—pay for the cost of moving a utility's infrastructure as part of a public works project. The city is appealing that decision in court, but for now the city will have to cover an estimated \$20 million—down from previous estimates of \$50 million to \$75 million—that would normally have been borne by We Energies. Barrett thinks the utility cost will ultimately be brought down to \$17 million or so.

Now, with the help of the [Citizens for Responsible Government \(CRG\)](#), the early tea party group that helped Walker become county executive, opponents have formed UNITED for Milwaukee to push a petition that would require any light-rail transit system funded with more than \$20 million of municipal money to go to a binding referendum. The UNITED group needs to gather 31,000 signatures in support of its petition before Jan. 21. If they do so, the council could vote on it or vote to place it on the April ballot as a binding referendum. The petition drive is supported by conservative Ald. Bob Donovan and Ald. Joe Davis, both planning to run for mayor in 2016, as well as Ald. Tony Zielinski.

Davis told the *Shepherd* that the streetcar will do nothing to benefit struggling central city residents, who are his primary concern, and isn't connected to his potential run for mayor.

"This has everything to do with me addressing the situation of poverty and unemployment in the city of Milwaukee," Davis said.

Barrett disagreed, saying that the streetcar would help central city residents, since 720 jobs would be created to construct the system, city residents would be trained and hired for those jobs, and the project would help to spur economic growth and broaden the tax base, which ultimately would fund city services. He said planned streetcar links to the north and south sides would improve residents' access to employers around town.

Davis also argued that the taxes generated by the properties in the tax incremental districts (TIDs) should go to the city's coffers, as well as those of Milwaukee Public Schools and other local units of government.

"To defer revenue that we would ordinarily get from a project like the 833 building or the Couture and to commit that revenue for the next 20 years to the particular streetcar system and not address the immediate needs of the city of Milwaukee is irresponsible," Davis said.

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Barrett batted away those objections and argued in favor of using tax incremental financing. Funds generated by tax incremental financing must be spent in or near where the money is generated. It can't fund the police or be diverted to projects in another part of town. What's more, the Couture project in particular couldn't be built without the public transit component and TIF financing, Barrett argued. Barrett—along with developer Rick Barrett (no relation to the mayor)—claim that if the site no longer includes public transportation, as it does now, the county would have to return \$8 million to the federal government. The county would then have to ask the developer to cover that extra expense, driving up the total cost of the \$122 million project.

Opponents have also argued that the Republican-led Congress—specifically U.S. Rep. Paul Ryan of Janesville, chair of the House Ways and Means Committee—could change the original language allocating the \$54.9 million in federal funding to the streetcar so that it could be used for Milwaukee roads and other projects.

Barrett, a former congressman, says that's not how Capitol Hill works. He said the Federal Transit Administration holds the funds and wouldn't release it for non-transit projects. Instead, it would take back the money and disburse it to other cities' rail systems.

"Is that going to make us more competitive against those communities? I would argue not," Barrett said.

Two notable groups that are sitting out this debate are the conservative Greater Milwaukee Committee (GMC) as well as the Metropolitan Milwaukee Association of Commerce (MMAC). The groups similarly sat out the debate over the \$810 million in federal funds for high-speed rail and other rail improvements. Walker rejected those funds before he even took office in 2011 and they went to other states' high-speed rail projects.

"Our membership lacks a clear consensus on the streetcar, ranging from strong support to concerns over this investment," MMAC President Tim Sheehy emailed the *Shepherd*.

That said, nine prominent businesspeople—including Discovery World's Michael Cudahy, Jeffrey Joerres of ManpowerGroup, investor David Lubar, Alex Molinaroli of Johnson Controls, developer Gary Grunau, Linda Gorens-Levey of Stark Investments, Barry Mandel of Mandel Group, Marcus Corp.'s Greg Marcus and Greg Wesley of Gonzalez, Saggio & Harlan—took out a full-page ad in the *Milwaukee Journal Sentinel* to announce their support for the streetcar project and advocate for its passage in the Common Council.

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Last week, in the midst of Thursday's snowfall, Barrett didn't seem too rattled by the opposition.

"At the end of the day you've got to realize that there are people who are historically opposed to helping Milwaukee grow and love to say that all the problems in the world are in Milwaukee," Barrett said. "Here we are trying to fight for Milwaukee and keep the positive momentum going. And they're saying [they] don't want any part of it. Am I surprised? No. Have I been through this before? Yes."

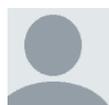
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