

# Redevelopment Authority OKs plan to help pay for streetcar line

By [Tom Daykin](#) of the Journal Sentinel  
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A [proposal](#) to help finance downtown Milwaukee's \$123.9 million streetcar line with property tax revenue generated by new developments was recommended for approval Tuesday by the city Redevelopment Authority.

Mayor Tom Barrett's proposal, which needs Common Council approval, would use \$49.3 million from two tax incremental financing districts: an expansion of an existing district on E. Erie St. in the Historic Third Ward and a new district near downtown's lakefront.

The new district would be west of Lincoln Memorial Drive, between E. Michigan and E. Clybourn streets. The Erie St. district would expand to include properties along N. Milwaukee St. and E. Corcoran Ave., Development Commissioner Rocky Marcoux told the authority's board, which recommended approval on separate 5-0 votes.

New projects pending in those districts include the [833 East](#) office building under construction at 833 E. Michigan St.; the proposed [Couture](#) apartment high-rise, which would be built at the current site of the Downtown Transit Center, 909 E. Michigan St.; [Domus](#) apartments, to start building next spring at 401 E. Erie St.; and a new corporate headquarters in the Third Ward.

Along with generating \$31 million in property tax revenue to help pay for the 2.1-mile streetcar line, the Michigan St. developments also would provide \$17.5 million for the Couture's public improvements, Marcoux said. Those include a transportation concourse, a park on top of the development's parking structure, a street-level outdoor plaza and public walkways.

There also would be \$150,000 set aside for an Astor St. repaving and \$500,00 for administrative costs.

The Third Ward financing district's property taxes would provide \$18.3 million for the streetcar; \$696,000 for a RiverWalk extension tied to the Domus project; \$540,000 for public improvements located on N. Milwaukee St. and E. Corcoran Ave.; and a possible \$400,000 grant to help attract the company headquarters, Marcoux said. He declined to disclose the company's identity.

Milwaukee already has allocated \$64.6 million — \$54.9 million in federal aid and \$9.7 million from a tax financing district that funded Cathedral Place office tower's parking structure — to pay for the initial phase of construction and streetcar purchases. The Barrett administration also is seeking an additional \$10 million in federal funds.

The streetcar would run between the lower east side and the Milwaukee Intermodal Station at W. St. Paul Ave. and N. 4th St., running through downtown with a loop to the Couture.

Once the streetcar, Couture public improvements and other costs are paid off, the property taxes from the new developments would go to the city, Milwaukee Public Schools and other local governments. It would take an estimated 19 years to pay off the Michigan St. tax district's debt and about seven years to pay off the other district's debt.

Marcoux said the streetcar would be a "starter system," with plans to add routes extending to University of Wisconsin-Milwaukee, Marquette University, the Bronzeville neighborhood on N. King Drive and Walker's Point.

The streetcar would encourage more private development, complement the bus system and help attract younger people to Milwaukee, Marcoux said. During the public hearing, four others spoke to support the streetcar. They included Patricia Keating Kahn, who owns two downtown office buildings.

"I think it is critical for our city," she said.

While the hearing didn't draw any opponents, there are council members, including Ald. Bob Donovan, who say the streetcar would be a waste of money. The council could review the financing proposal in December.

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