

\$20 million for Milwaukee streetcar extension to arena endorsed

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Milwaukee's plan to raise \$20 million in local spending to extend the streetcar to the downtown arena gained a first endorsement on Thursday.

That money represents Milwaukee's half of the cost to extend the streetcar along North Fourth and Fifth streets between the Milwaukee Intermodal Station on West St. Paul Avenue and the future arena on West Highland Avenue. The city spending would match a \$20 million federal grant Milwaukee applied for in April.

A cornerstone of the plan is attracting a private development to the city-owned parking lot at Fourth Street and West Wisconsin Avenue. City officials are counting on property taxes from a future project, valued at \$30 million or more, to generate \$8 million for the streetcar project. That money would come through a tax incremental financing district the city's Redevelopment Authority endorsed Thursday.

City officials for years have tried to attract a project to the site, and several past hotel proposals have failed there. A request for development proposals will be issued this month asking developers to submit offers to purchase the site and develop plans for a mixed-use project. The land is appraised at \$4.6 million.

To attract more interest, the city is promising a major streetcar stop at the Fourth Street property. The city forged a similar partnership with the developers of the Couture apartment high-rise on the downtown lakefront. The city will put a large public streetcar station in the base of that apartment tower, and the city has dedicated up to \$17.5 million to build those public spaces.

For Fourth and Wisconsin, the city anticipates a project will create at least \$30 million in new property value. Dan Casanova of the **Milwaukee Department of City Development**, said \$30 million in property value is the equivalent of a building with 200 apartments, or a room-hotel.

"Big projects, but we don't need a 20-story building for this to pay off," he told the Redevelopment Authority commissioners.

The city will ask for market price for its land at Fourth and Wisconsin, minus the dirt that will be reserved for a public plaza or streetcar stop, said development commissioner Rocky Marcoux.

"Our expectation is this site is valuable enough that we should not have to put city subsidy into the site," he said.

The remainder of the city's \$20 million would come from two other tax incremental financing districts. Those districts would dedicate property taxes from the Hilton Milwaukee City Center and Schlitz Park to pay off \$12 million in borrowing for the streetcar extension.

The redevelopment authority also endorsed those TIF plans Thursday. They will next go to the city's Zoning, Neighborhoods and Development Committee for a hearing.

If city officials are successful in lining up the local and federal money, the \$40 million streetcar extension could open for service in 2020. Construction will soon start on the streetcar's initial downtown loop, which will start service in 2018. A spur to the downtown lakefront, including the Couture station, will open in 2019.

Sean Ryan
Reporter



A new development and major stop for the streetcar are envisioned for the city-owned parking lot at Fourth Street and Wisconsin Avenue.