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Streetcar plan cost would double to cover utility costs, line extension

By Don Behm of the Journal Sentinel
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A proposed 2.1-mile-long downtown Milwaukee streetcar line — the first piece of a planned longer route with an extension to the lakefront — would provide an estimated 1,840 rides on weekdays, regional planners say in an evaluation of the project.

Total operating and maintenance costs are projected at $2.4 million a year with three streetcars operating at peak hours, according to the analysis by the Southeastern Wisconsin Regional Planning Commission.

Farebox revenues — at $1 per ride — would yield about $588,800 a year to pay part of the operating costs, the commission report says. Corporate sponsorships and advertising on streetcars and rider platforms would generate another $250,000 a year.

Whether parking garage and meter revenue can make up the remaining operating costs is the subject of a separate evaluation by the city Comptroller's office, according to SEWRPC.

Construction of the initial line would begin late next year, under a plan announced by Mayor Tom Barrett.

Total cost of equipment and building the modern streetcar line downtown with a planned 0.4-mile route extension to the lakefront is estimated at $123.9 million, Barrett said Tuesday.

Barrett will ask the Common Council to create two tax incremental financing districts — an expansion of an existing one on E. Erie St. along the Milwaukee River; and a new one on E. Michigan St. — to provide an estimated $49.3 million in additional public funding for the project, he said. Money would come from property taxes generated by new development in those corridors.

The E. Michigan St.district would be west of Lincoln Memorial Drive, between E. Michigan and E. Clybourn streets. The expansion of the Erie St. district would encompass properties along N. Milwaukee St. and E. Corcoran Ave.

Milwaukee already has allocated $64.6 million — $54.9 million in federal aid and $9.7 million from an existing tax incremental financing district — to pay for the initial phase of construction and streetcar purchases. Barrett said Tuesday he will seek an additional $10 million in federal funds.

The earlier budgeted amount is increased by adding the cost of relocating utility lines, $22.7 million, and the cost of the lakefront route extension, $25 million. Add inflation to the original $64.6 million estimate of a few years ago and you reach the revised total of $123.9 million, Barrett said.

City sues over utility ruling

Milwaukee has filed a lawsuit against the state Public Service Commission to reverse its decision in April that the city must pay costs of all utility relocations needed for a proposed streetcar route.

The city attorney's office has said state law obligates public utilities and other companies to relocate facilities when necessary to avoid obstructing the public's use of a right of way for travel.

The proposed 0.4-mile route extension would circle The Couture proposed development at the site of the Downtown Transit Center on Lincoln Memorial Drive, between E. Michigan and E. Clybourn streets. The Couture would be located within the proposed E. Michigan St. tax incremental financing district.

Both the Milwaukee Redevelopment Authority and the Common Council must approve creation of the special financing districts.

A public hearing on the proposed financing districts is scheduled Dec. 2 before the Redevelopment Authority.

The full Common Council could act on the proposal in mid-December.

Ald. Bob Donovan, a candidate for mayor in 2016, urged city residents on Wednesday to contact Common Council members and state their opposition to the project.

"The mayor appears bound and determined, no matter what the cost, to shove this down the throats of our citizens," Donovan said in a statement.

On Wednesday, Donovan asked Rep. Dale Kooyenga (R-Brookfield), a member of the Legislature's Joint Finance Committee, to block use of the tax financing districts for the purpose of building a streetcar.

Similar modern streetcar lines either operate or are under construction in 11 other major U.S. cities, according to the regional planning commission report. Among them are Atlanta, Cincinnati, Dallas, Salt Lake City and Seattle.

A revised initial route of Milwaukee's streetcar line begins at the Milwaukee Intermodal Station on St. Paul Ave. The route travels east on St. Paul Ave., north on N. Milwaukee St. and east on Wells St. It would extend north on Jackson St. to Ogden. Return travel would be south on Jackson St. to west on Kilbourn Ave. and south on Broadway back to St. Paul Ave.

The revised route does not include use of Van Buren St., between Ogden and Wells to avoid a We Energies steam tunnel beneath the street, officials said.

The downtown streetcarroute is intended to compliment existing bus service, particularly the heavily traveled Wisconsin Ave. corridor, officials said.

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