

FROM
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Sell.

The Return of the Streetcar **The Streetcar will Serve the Bus and Bay View**

comments by Bill Sell

<http://www.milwaukeerenaissance.com/BillSell/StreetcarServesOurBus>

How will the Streetcar benefit Bay View?

New city jobs and more. Read on.

How will the Streetcar serve the Bus?

The Streetcar brings new riders. Read on for more.

Will the Streetcar create jobs?

Yes, good, new jobs. And this is what everyone wants. Good jobs anywhere in the City help other parts of the City. Stores, restaurants, bars, offices - the kinds of businesses that emerge where people gather.

<http://www.themilwaukeeestreetcar.com/>

But that's Downtown. How does that affect Bay View, or other parts of the City?

The downtown is the major economic engine of the City. Businesses invest in cities with a plan. Shops on Kinnickinnic Avenue depend on people coming in from other parts of the city to spend their money. The same is true of Mitchell Street, Oakland Avenue, 27th Street, and other commerce centers of the City. Everyone depends on everyone. A fully developed Streetcar and restored bus service will eventually deliver people to all of these areas, people instead of cars. With more people but fewer cars, there will be more room for commerce.

Where is the money coming from?

Most of it is already in hand, ready to be spent on a Streetcar. Long ago the federal government allocated millions to transportation and rail projects in this area. That money has been spent, except for \$54.9 million now in the hands of the City, and a smaller amount at the County.

Milwaukee must share the Streetcar installation costs. Our share is only \$9.7 million, 1.6% the City's annual budget. But this money will come from what is called a Tax Incremental District over period of years, not a one-time payment in one year.

<http://city.milwaukee.gov/TaxIncrementalDistrictsTIDs.htm> Improvements in the Cathedral TID will be allocated to pay off the \$9.7 million. The money ultimately comes from increasing tax revenues from new developments.

Where do new developments come from?

The private sector. This is why cities plan transportation carefully. Milwaukee's Streetcar is a public-private venture that starts with a small amount of seed money.

The federal government made a decision to spend this money on local public transportation infrastructure. Make no mistake, it will be spent, somewhere. It will be grabbed up by some clever Senator or Congressperson from another state.

Here in Milwaukee, however, City and County governments are enjoying a new era of cooperation, making a revived County possible.

So, come now, aren't you making a big deal out of all this?

Yes, I am. A big deal about a small investment. That is how the market works. Leveraging money is straight out of capitalism economics.

The initial route will, from this point forward, attract development dollars. Developers around the world respond to the firm commitment that comes with rail - steel in concrete. The rules of development are the same as they have always been: money attracts money; infrastructure is the basis of an economy. Businesses wait for government to plan infrastructure, to lay the groundwork for individual businesses to grow.

http://www.themilwaukeeestreetcar.com/pdf/economic_benefits_070711_WEB.pdf

Will people actually go downtown?

Consider the newest restaurant in town - already drawing big crowds at St. Paul and Broadway. Consider the Marriott Hotel, in planning stages, and how Marriott twisted arms to get its hotel located within one block of the new streetcar line. Had the streetcar been built when the money first was authorized by Congress, the City would have been in a better position to require Marriott to save the historic sites, as well.

Letting valuable property sit idle is a perfect example of how cities lose to competitors. As the value of buildings drop, people move away. Milwaukee needs a spark that is key to our economy. The time is now.

As New Orleans and San Francisco have shown, bringing large numbers of people to their sidewalks helps a City to preserve valuable historic buildings. And it is unique history that makes a city attractive to business, commerce and tourism.

Bay View? And how does this help Bay View?

Several answers to that question - the general economy, and our place on the City map. But first the facts about the Streetcar. What the City has planned now is only a start. Bay View is one of eight possible extensions of the Streetcar. We will be in a good position to make a case for an extension of the Streetcar.

An extension south from downtown will encourage development in Walker's Point, on Mitchell Street and on Kinnickinnic Avenue.

<http://www.themilwaukeeestreetcar.com/pdf/PISStreetcarPresentation-June14-2011.pdf> See page 13.

But the general benefit is immediate, now: New business downtown benefits the whole City. A vibrant economy lifts all boats and spreads the tax burden to all buildings.

Our Place on the Map. Kinnickinnic Avenue is full of promise of nearby shops and businesses. We have seen both growth and neglect on Kinnickinnic.

Bay View is already a walkable neighborhood and a lakefront. What the businesses need here are more people who enjoy walking the neighborhood, and the Streetcar will bring people without leveling buildings for parking.

What has held the City back?

Some say Milwaukee is just sick with inertia. I prefer to get answers from basic economics.

If you've ever wondered why buildings remain empty for years, check it out. Usually it represents the financial goals of a long term investor needing a business "loss" because he or she has an enormous income. The City needs to reverse this part of our downward spiral.

There are too many empty buildings.

The empty building gets all the necessary city services, but pays less than a building with a tenant. This means higher property taxes for residences.

With more foot traffic it will become fruitless to keep a building empty; for now, though, every working building is paying for buildings that are not working. This is visible on Kinnickinnic and Howell Avenues.

When customers are available businesses will invest. Public transportation delivers customers without leveling buildings for parking.

So how will the City pay for operations?

The estimated cost per year for the initial route is \$2.65 million per year. Chief sources are farebox and parking fees, a dynamic pairing of funds, one growing the other. But No property tax.

People will pay a fare (\$1 or some kind of pass) to use the Streetcar. Or they will park downtown - that other revenue source for all downtowns.

The Streetcar will be within a quarter mile of all downtown hotel rooms, and 70% or more of the following destinations: retail and commerce, offices, housing, parking, the lakefront and the river walk. This downtown density is what makes a City prosper and no magic mall can do all that from its own location.

Since a newly vibrant downtown will attract new visitors, the cost of parking will rise, encouraging drivers to use the Streetcar. This is market economics. Clever use of seed money will create the conditions for an upward spiral.

I witness our social phenomenon every year at Summerfest time. Where I work, the third ward, is an all-year attraction bringing people and growing new shops and restaurants; but during Summerfest the streets are filled with people (in no particular hurry to get to Summerfest!), but just walking, people watching, hanging out, eyeing the sidewalk cafes. Our best magnet is each other; we are social beings.

Other sources of funds: sponsorships, advertising, and grant writing, but No property tax funds.

The Streetcar will serve the Bus.

Yes, it will. And this precisely why this lover of the bus sees the Streetcar as a huge new asset for our city.

In their book *Moving Minds: Conservatives and Public Transportation*, two long-time conservatives, Paul Weyrich and William Lind, unearth statistics as provided from transit operations around the country. (pg. 56 ff)

Most bus riders did not drive or had no car. Train or streetcar riders did have a car but chose rail.

Bus riders generally have lower incomes. Streetcar riders have higher incomes and can choose how to commute.

In studies from city after city, rail draws “riders of choice” who might otherwise never board a bus.

Farebox recovery from rail is twice that of the bus (approx. 42% for rail, 20% for bus), making rail the lesser subsidized alternative. Rail costs more to install, but is much more efficient to operate.

New riders will bring the bus system a new source of revenue. The strategically located, efficient Streetcar can deliver new riders (riders of choice) to buses.

Will the Streetcar induce people out of their cars? Yes, definitely. That is now established in cities moving ahead with rails. This is a net gain for both buses and streetcars.

Will the new Streetcar steal passengers from the Bus?

Oh, sure, some, but the story is bigger than that. This question now settled, is based on the experience of other cities. The brave cities that took this gamble discovered something wonderful: passenger counts on buses increased, and passenger counts on the new streetcar exceeded projections. (See Weyrich and Lind, above)

The bus system has needed help for a long time. Citizens have voted for our bus system. The Streetcar is an opportunity to re-build our public transportation.

Can't we fix potholes, or fund the buses with this money?

Even if we could spend the \$60 million to operate the bus system, in a short time we would have nothing for building the future. The Streetcar will bring new riders. Eventually the politicians will have to figure out a way to fund bus operations, absolutely essential to our city. What the federal government provides is capital money for the Streetcar. Look to the success of other cities which took the federal funds - Portland, Charlotte, St. Louis, Minneapolis.

In fact we already did spend capital money to operate buses, under County Executive Scott Walker who used "new bus" money from the federal government for the last decade on bus operations, and now those funds are gone. The Stimulus gave us some new buses, but Milwaukee County still has to find operating money.

While the citizens voted to correct this problem. It was elected officials who prevented it from happening.

Nevertheless, new money can come from new riders. And the Streetcar offers us this opportunity.

The Future

The City projects eight feasible extensions of the Streetcar. Bay View is one.

<http://www.themilwaukeestreetcar.com/pdf/PIStreetcarPresentation-June14-2011.pdf> See pg. 13.

Demand for extensions to the original Streetcar will likely grow, as that is what other cities experienced. Streetcars, once they are running, increase their demand as people enjoy the convenience, the low noise levels, and their frequency. They are, after all, cheaper to operate than buses, and haul more passengers.

We have often heard that a shortage of parking is hurting business development on Kinnickinnic Avenue.

I'm not sure I see it that way. We don't really need more cars on Kinnickinnic, we need more people. Cars don't shop. People do. And a Streetcar will deliver people without parking, reducing traffic on Kinnickinnic.

The other claim we will have on a Bay View Streetcar is the airport. In time we will see (bus or streetcar) Route 11 extended to the airport, bringing passengers to Bay View and to east-downtown hotels.

The Streetcar may well be a boon to Bay View. It won't, of course, if the City does not build it. This time, I say take the millions and build the Streetcar.

Maybe it's time to pay attention to other cities. Just why are they waiting in line for Milwaukee's plan to fail? Surely, they know the power of the Streetcar; and they will gladly take Milwaukee's Streetcar money.

So, What can I do?

Ask your alderperson

You missed the Streetcar Open House?

If you missed the Streetcar Open House on July 11, you may review the highly detailed posters.

http://www.themilwaukeeestreetcar.com/pdf/BOARDS_FINAL_letter-sized.pdf

What I appreciate about the posters is the detail. You can actually see how the preferred route was selected, what a road cross section will look like, computer photos of the streetcar in traffic, photos of the variety of bus stops the Streetcar will use, the use of wide doors for quick entry and exit, how stops will accept fares so there is no waiting to board, and more:

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Bio: Co-founder Bay View Neighborhood Association; Steering Committee ,Coalition for Advancing Transit; Chair, Transit Services Advisory Committee (report to County Board).