



Realizing the Economic Development Potential of the Milwaukee Streetcar

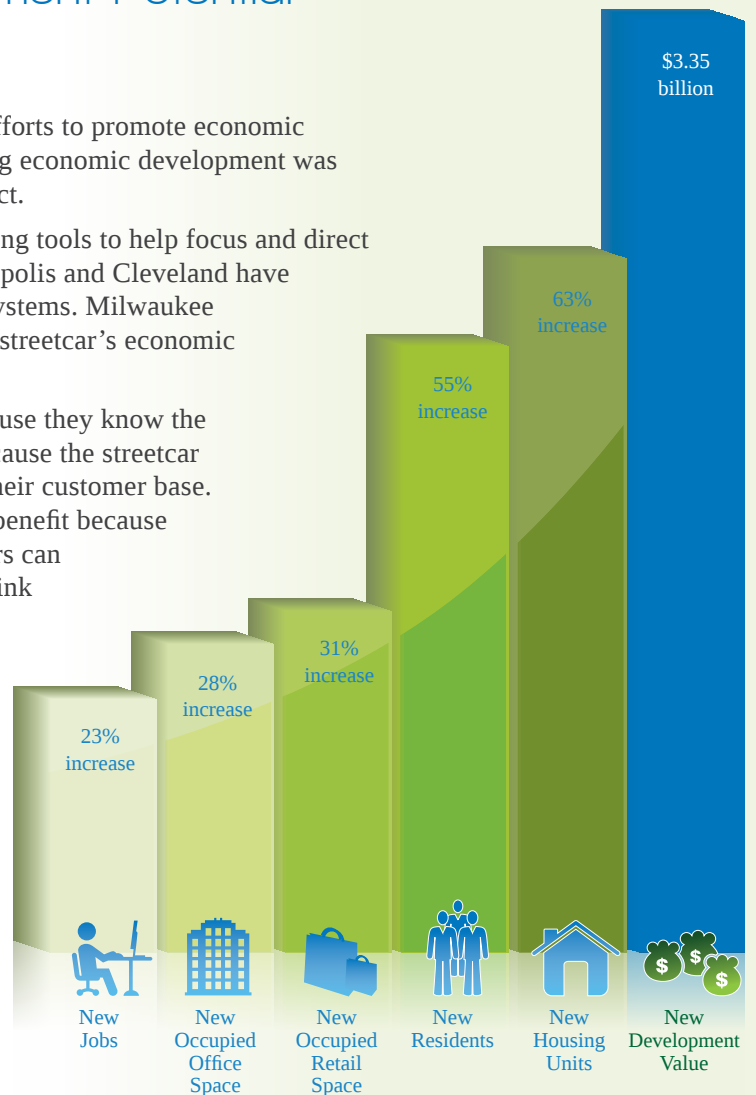
The Milwaukee Streetcar is a critical element in the City’s efforts to promote economic development downtown and along the route. In fact, fostering economic development was one of the primary goals established at the onset of the project.

Cities use fixed-guideway transit and streetcars as city building tools to help focus and direct economic development. Cities like Portland, Seattle, Minneapolis and Cleveland have all seen development occur within close proximity to their systems. Milwaukee anticipates similar benefits and is taking steps to capture the streetcar’s economic development potential.

Developers feel more confident about their investments because they know the streetcar will be there for the long term. Retailers benefit because the streetcar expands the extent patrons are willing to travel, increasing their customer base. Tourist attractions, local arts and entertainment venues also benefit because the streetcar is an easy to use form of transit that even visitors can feel comfortable using. Most importantly, the streetcar will link residents with our region’s largest concentration of jobs.

“ When we build The Milwaukee Streetcar, we are supporting or creating jobs for city residents; we are constructing functional and attractive infrastructure that promotes business growth; and, we are setting the stage for additional private sector investment and economic activity. ”

– Tom Barrett
Milwaukee Mayor



“ The Milwaukee Streetcar gives downtown Milwaukee a competitive advantage over other comparable markets and the resulting growth in tax base will benefit the entire City. ”

–Jackie Walsh
Vice President
Irgens Development

PROMOTING the CITY'S ECONOMIC DEVELOPMENT POTENTIAL

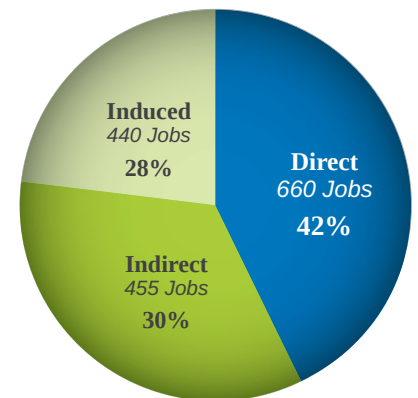
The City of Milwaukee conducted a land use analysis to determine the economic development potential within a quarter-mile of the initial route and extensions. The analysis showed the following economic activity could be generated by 2030:

- 9,000 new housing units (63% increase)
- 13,500 new residents (55% increase)
- 1,000,000 square feet of new occupied retail space (31% increase)
- 4,000,000 square feet of new occupied office space (28% increase)
- 20,500 new jobs (23% increase)
- \$3.35 billion of new development value

SUPPORTING EXISTING JOBS and CREATING NEW ONES

The Streetcar will support more than 80,000 existing downtown employees and it will help grow businesses by providing a convenient link between offices, retailers, residents and visitor destinations. The Streetcar is estimated to support or create 475 local construction jobs, 150 jobs related to the manufacturing of the vehicles and 35 permanent jobs for ongoing operations and maintenance. Approximately 455 indirect jobs would be supported or created by companies that will supply materials for the project and another 440 jobs will be induced by discretionary spending.

TOTAL of 1,555 JOBS
SUPPORTED or CREATED



ESTIMATED JOBS SUPPORTED or CREATED by MILWAUKEE STREETCAR

Type		Initial Route	Route Extensions	Total
Direct	System construction	305	170	475
	Vehicle construction	85	65	150
	Operations and maintenance	20	15	35
Indirect	Suppliers	290	165	455
Induced	Discretionary spending	280	160	440

Jobs are based on the methodology outlined in Job Impacts of Spending on Public Transportation: An Update (prepared for the American Public Transportation Association), Economic Development Research Group, Inc. April 2009. Vehicle construction jobs are based on an estimate for the Portland East Side Loop vehicle contract.

\$205 million in new development within a quarter-mile of the streetcar route would cover the City's \$1.85 million share for annual operating revenue (designated to come from the Parking Fund). It is estimated that more than \$205 million in new development will occur by the streetcar's second year of operation.

CONTRIBUTING to the CITY'S TAX BASE

By 2030 over \$3.35 billion of new development value could be generated within a quarter-mile of the Streetcar's initial route and extensions, creating new tax revenues for the City of Milwaukee. Beginning in 2018, new annual tax revenue for the City could be more than \$2.5 million, and by 2032 annual tax revenues could be more than \$28 million, totaling over \$200 million during a 15-year period. Estimates are based on a new development pace of \$165 million annually between 2017 and 2030 and a 2 percent annual inflation rate.

CREATING CITY-WIDE BENEFITS



Artist's rendering of the Milwaukee Streetcar on Broadway at Wisconsin Avenue.

Milwaukee has world-class corporations, cultural attractions, educational institutions and architecture. Soon, Milwaukee will have a world-class fixed transit network. The Milwaukee Streetcar system will project an image of a modern and forward-thinking city that will help attract outside investment, business and talent. The Milwaukee Streetcar will:

- Spur significant **ECONOMIC DEVELOPMENT** because the infrastructure created by a fixed route provides a framework for making investment decisions, as experienced in every city that has built a streetcar system.
- Strengthen and promote downtown Milwaukee as the premier office and business location in the region, creating and providing **ACCESS TO JOBS** for Milwaukee residents.
- Connect commuters and visitors arriving via passenger rail, commuter rail and regional bus service at the Milwaukee **INTERMODAL STATION** with jobs and attractions in Milwaukee.
- **EXPAND THE TAX BASE** with new development, new and expanded businesses and higher occupancy rates, resulting in a lower tax burden for everyone and allowing important city services to continue.
- Tap into the potential of under-utilized properties by **MAKING CONNECTIONS** to important residential, business and cultural centers.
- **ATTRACT AND RETAIN YOUNG TALENT** needed to grow Milwaukee's economy, support the creative class and fuel a culture of entrepreneurship.
- Provide a new perspective on quality transit in Milwaukee, encourage people who previously did not see themselves as transit patrons to consider using all forms of transit and establish excellent transit as an important aspect of a high **QUALITY OF LIFE**.
- Establish a successful initial system that will allow for practical **CITY-WIDE EXPANSION** in the future as funding allows and market demand dictates.
- Shape the **BRAND AND IDENTITY** of Milwaukee, which has been established as an important city-wide priority.
- Provide an **ENVIRONMENTALLY RESPONSIBLE** transportation alternative that is energy-efficient, quiet, clean, comfortable and has the potential to use renewable, locally created, energy sources.
- Increase the overall economic activity in downtown Milwaukee, serving as a **DEMAND GENERATOR** for hotels, retail, office and housing, as experienced in every city that has built a streetcar system.



Artist's rendering of the Milwaukee Streetcar on St. Paul Avenue at the Milwaukee Public Market.

LEARNING *from* OTHER CITIES

To better understand how the streetcar may transform downtown Milwaukee, it is important to understand how fixed-guideway transit systems in other cities have affected growth and development patterns.

Fifty-five percent of all Portland's central business district development has occurred within one block of the route in comparison to 19 percent prior to 1997.

PORTLAND, OREGON

Portland's original four-mile segment of streetcar opened in July 2001 to connect downtown with neighborhoods to the north and south. Since the route was announced in 1997 several trends have emerged:

- New development is occurring – 10,212 new housing units and 5.4 million square feet of office, institutional, retail and hotel construction have been constructed within two blocks of the route, representing over \$3.5 billion in new investment since 1997.
- Development is concentrating around the streetcar alignment – 55 percent of all central business district development has occurred within one block of the route in comparison to 19 percent prior to 1997.
- Properties located closest to the alignment achieve higher densities – new development averages 90 percent of its allowable density within one block of the route compared to less than 50 percent prior to 1997.
- Less parking is needed – developers are building new residential buildings with lower parking ratios, making developments more financially feasible.



New development along streetcar route at Jamison Square in Portland.



New housing under construction along streetcar route in Portland.



Portland has seen more than \$3 billion in new development along its initial streetcar route.