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# Common Council vote favors Milwaukee streetcar, but final approval shelved until Feb. 10

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A final decision on the Milwaukee streetcar will wait until Feb. 10 after the Common Council voted Wednesday to approve a resolution backing the plan, then voted to delay action.

Those additional three weeks will buy more time for opponents of the project to gather voter signatures for a petition that could force a referendum on the project. The [delay by opponents was anticipated](#). Streetcar supporters still outnumber them on the Common Council, but it takes only three votes to shelve an item under the city's parliamentary rules.

The \$123.9 million streetcar plan now requires a final decision during the council's next meeting on Feb. 10. The council Wednesday voted 10-5 to approve a resolution on whether to continue engineering for the project, then voted to table it until Feb. 10, with seven votes in support of delaying a final decision. They also approved, and then shelved, two items to create tax incremental financing districts to pay the city's \$49.3 million share of the project.

Numerous supporters showed up for the Common Council meeting, including representatives of the local construction trades unions and development industry. Supporters of the referendum on the project also were in attendance.

Common Council president [Michael Murphy](#) pointed out the "extremism" in arguments from both supporters and opponents on the project. Regarding supporters, he said the streetcar is not "the second coming" and also disagreed with opponents' portrayal that the project is "the worst thing since Ebola."

Murphy voted for the streetcar project and the financing for it, but also supported the effort to delay a final decision until February. He said he supports the extra time for residents who are circulating the referendum petition to have their voices heard.

Ald. [Nik Kovac](#), a supporter, said the streetcar coupled with other city investments will drive more private investment downtown. He referenced the Couture apartment high-rise development, which would have a streetcar stop in its base, and discussions over **Johnson Controls Inc.** considering Milwaukee for a future expansion.

"In terms of the Couture and in terms of Johnson Controls' headquarters consolidation, we have pretty good flesh on the bone on what that economic development will look like," Kovac said.

Johnson Controls officials [last week said](#) they are considering numerous sites in and beyond Milwaukee for an expansion, and the outcome of the streetcar project could affect that decision.

Milwaukee development commissioner [Rocky Marcoux](#) said "we have had discussions with the company."

"They have options and we want to see them grow in Milwaukee," he said.

Ald. [Bob Donovan](#), who has challenged the city spending on the project and supports a referendum, responded to Kovac's points.

"This issue in the 15 years that I've been here has always taken on a life of its own and the supporters of the streetcar see something in it I just don't," Donovan said.

Mayor [Tom Barrett](#), after the vote, said he does not think the three-week deferral will make a difference. He said construction of rail for the streetcar, versus bus service, can attract more investment from companies.

"This is all about the future of Milwaukee and investment in the future," he said.

Citizens for Responsible Government has set a Feb. 8 deadline for its supporters to collect about 31,000 signatures for a petition to spur a referendum on the project.

If the petition succeeds, a referendum is likely to be held on a law requiring Milwaukee rail transit projects worth more than \$20 million be approved by voters, via a referendum. As it is set up, there could be one referendum on that new law, and a second on the streetcar itself.

On the referendum, Barrett said they are not held on other issues such as public safety or the city's budgets.

"I don't hear anybody saying let's take a referendum on the city budget or let's take a referendum on the expansion of freeways," Barrett said.

Opponents of the streetcar questioned the city financing for the project through a lengthy discussion of two TIF districts that would finance the system. One district is in the 3rd Ward, and the second at the end of East Michigan Street on the downtown lakefront. The lakefront district includes the Couture project, and would provide \$17.5 million in financing for public spaces in the building, and **Irgens'** neighboring 833 East office building, which is under construction.

The TIF districts would take increased taxes generated by rising property values in the two areas and use them to pay off debt on the streetcar over about two decades. During that period, the money would not go into the overall budgets for the city, Milwaukee Public Schools, Milwaukee County and other local governments. If it did, it would add to the tax base for those local governments and potentially decrease the tax rate for properties citywide.

Reporter Sean Ryan covers commercial and residential real estate for the Milwaukee Business Journal and through the [Real Estate Roundup blog](#) on the website. He also covers construction, highways and public transit.