

From the Milwaukee Business Journal

:<http://www.bizjournals.com/milwaukee/print-edition/2015/01/16/all-aboard-can-the-streetcar-help-downtown.html>

All aboard? Can the streetcar help downtown Milwaukee?

We asked business owners along the proposed streetcar route which side of the tracks they're on.

COVER STORY

SUBSCRIBER CONTENT: Jan 16, 2015, 5:00am CST Updated: Jan 16, 2015, 9:52am CST



[Sean Ryan](#)

Reporter- Milwaukee Business Journal

[Email](#) | [Twitter](#) | [Google+](#)

The tricky thing about a streetcar project is that the only way to prove which side is right or wrong is to build it.

There are a lot of true believers in downtown Milwaukee, who see the \$123.9 million project attracting more customers, businesses and residents while increasing property values. And there's no shortage of opponents, who see the city spending on the system as too high to justify the gamble of the system living up to expectations.

Milwaukee Mayor [Tom Barrett](#)'s revised proposal, unveiled in November, would run the streetcar from the Milwaukee Intermodal Station, past the northern border of the 3rd Ward, through the central business district and up into the dense lower east side. A spur would run to the downtown lakefront along Michigan and Clybourn streets.

See Also

- [All aboard? For opponents, money should be spent elsewhere](#)
- [Polarizing streetcar debate leaves some businesspeople with more questions](#)
- [Johnson Controls has 'keen interest' in Milwaukee streetcar vote as it considers expansion](#)
- [Oppermann: Streetcar may 'reduce property taxes for nearly 97% of the city'](#)
- [Sobelman: 'I would never waste my own money' on the streetcar](#)

Barrett, who is seeking Common Council approval, envisions a construction start later this year

and operations starting in 2018. The Common Council will next consider the item Jan. 21, but a final vote could be delayed until February. Even if approved, the project may face a voter referendum if opponents have their way.

We contacted a variety of stakeholders along the streetcar route, and outlined their reactions to the project proposal.

1404 N. Van Buren St.

Residents in the East Pointe Commons apartments, like anyone else, are as likely to drive to the suburbs as downtown Milwaukee once they get in their car, said **Mandel Group Inc.'s Bob Monnat**.

The streetcar, on the other hand, keeps them out of their automobiles, and would channel more residents of the dense lower east side into downtown restaurants and stores, said Monnat, chief operating officer of Mandel Group, Milwaukee-based developer of East Pointe Commons.

"It gives people an ironclad capture ratio of disposable dollars because if someone gets in their car, they are as likely to drive to West Allis, Shorewood, Bay View or someplace else," he said. "A streetcar will help focus that investment for the betterment of downtown businesses."

The second outcome, Monnat said, is the surface parking lots those downtown restaurants and stores rely upon will open up for higher-value development if patrons are hopping a streetcar instead of driving, Monnat said.

"That just sucks away the opportunity for the city to redevelop," Monnat said of the surface lots.

833 E. Michigan St.

"The streetcar will have a positive impact upon 833 East and Milwaukee's lakefront cultural assets. Through the **Milwaukee Department of City Development**, 833 East is planning on having fruitful conversations about how to best integrate with the streetcar station at the former transit center location."

Mark Irgens, CEO and manager of Irgens, which is developing the \$101.5 million, 18-story 833 East office building in downtown Milwaukee. The city may earmark new property taxes generated by the 833 East to finance the streetcar project. The building is set for a February 2016 occupancy.

777 E. Wisconsin Ave.

U.S. Bank, which has 2,000 workers in downtown Milwaukee, is among the employers that is generally positive on the streetcar, but hedges its comments with an almighty "if."

"If the streetcar would create value and create convenience for employees, that's great," said

spokesman [Pat Swanson](#).

That "if" is one of the debated points of the system where opponents question how many riders it could attract. The city estimates the number at more than 1 million a year.

The lakefront spur of the streetcar would have stops near the U.S. Bank Center, downtown's largest and tallest office building. It would be a convenience for bank employees and make the downtown a more vibrant place for them to work, Swanson said, noting: "We think the streetcar could add value there."

400 N. Water St.

Milwaukee Public Market officials support the streetcar because the market is along the route, and they expect the system to bring more customers to its retailers.

The system also provides another encouragement for people to cross the "great divide" — the Interstate 794 bridges — that separates St. Paul Avenue and the 3rd Ward from downtown, said [Paul Schwartz](#), Public Market operations and communication manager.

As for the opposition questioning the value of the system and its potential ridership, Schwartz said large infrastructure projects always prompt a "timid fear."

"Infrastructure projects in general tend to twist people sideways in terms of what's unknown," he said. "On the idea of a public market in Milwaukee, Wisconsin, 10 years ago people were questioning whether the project would work."

411 E. Wisconsin Ave.

"It goes right by the train station, too, so it creates a real transportation link to Chicago, and a lot of our tenants and a lot of other tenants in the central business district have connections to Chicago."

[Jeffrey Patterson](#), president and CEO of Riverview Realty, Chicago, which bought the 411 office building in 2014 and is renovating it to attract additional tenants.

611 N. Broadway

[Nick Johnson](#), general manager of the Hilton Garden Inn Milwaukee Downtown, is among the people who visited City Hall to testify in favor of the streetcar at public meetings.

Johnson said he is not worried about the streetcar affecting traffic along Broadway, or about its construction interrupting business.

"We understand there's going to be an impact from construction, but in this case we think the value greatly outweighs the inconvenience of construction for a short period of time," Johnson said.

He said it is a better way for guests at the 127-room hotel to get around. Most like to park once and leave their car until their stay is over, Johnson said. The hotel already runs a passenger van with seating for 12 to take guests to dinner reservations at restaurants a few blocks away, for example.

"We're excited about the project," he said. "It's really a convenience thing for people to get around Milwaukee."

North Milwaukee Street

[Omar Shaikh](#), a partner in **SURG Restaurant Group**, joins other business owners in saying the streetcar will realize its full potential only after it expands beyond downtown.

The initial downtown system has a northbound track that would pass SURG's restaurants on North Milwaukee Street, between Wisconsin Avenue and Mason Street. Shaikh said the route would put more eyeballs on his businesses, generating more awareness and patrons.

"The streetcar becomes most effective when you are able to grow it," he added.

The proposed first phase, which if approved would start operations in 2018, is pitched as a starter system. Future phases would add routes extending to the **University of Wisconsin-Milwaukee, Marquette University** and **General Mitchell International Airport**.

"Phase two, phase three, is where it really gets effective," Shaikh said.

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.