

THE ECONOMIC CASE FOR REMOVING I-794 DOWNTOWN

*ECONOMIC BENEFITS, NEIGHBORHOOD IMPROVEMENT
WILL BENEFIT ALL MILWAUKEEANS*

MILWAUKEE, WI. LAKE INTERCHANGE - INTERSTATE 794

NOVEMBER, 2024

KEY HIGHLIGHTS

REMOVAL OF I-794 THROUGH DOWNTOWN MEANS LONG-TERM ECONOMIC BENEFITS, PLANNER FINDS

Removing Downtown Section of I-794 Would Generate Billions in Disposable Income, Hundreds of Millions in Taxes, add 3,000+ Housing Units and Better the Long-Term Outlook of Region, New Report Shows

Distinguished Urban Planner Larry Witzling has developed new estimates of huge economic value for Milwaukee by removing the Downtown section of I-794. Larry Witzling has been an urban planner in Milwaukee for 50 years and holds Professor Emeritus at the University of Wisconsin - Milwaukee.

30-YEAR OUTLOOK

Witzling recently calculated the development capacity of the I-794 corridor over the next 30 years – a timeframe on par with freeway planning. What could we expect if the Downtown section was replaced with a street grid?

Over 30 years this is what Witzling estimates as the outcomes:

- \$1.1 billion in added property value- paid not by taxpayers but by private investment
- 3,000+ housing units (with revenues allocated for 20% affordable housing)
- \$3 billion in added cumulative disposable income Downtown
- \$475 million in new property taxes
- \$60 million in city sales tax

In addition, we will see a stronger Downtown destination with:

- New retail, restaurants, hospitality and entertainment
- New employers attracted to locate Downtown
- New long-term jobs
- High-energy public spaces
- Improved local business markets
- Larger long-term tax base



GROWTH FROM WITHIN

DEVELOPMENT CAPACITY

Development Capacity is a metric to evaluate development on a timeline equivalent with investments in long-term infrastructure spending. It forecasts long-term community development, as opposed to short-term market studies.

Conditions for urban development capacity modeling include:

- Government owned land under I-794 allows for greater prediction of development
- Use a long timeframe to mitigate market peaks and valleys
- A focus on undeveloped land with significant value
- Ensure supportive environmental conditions
- Regulate and reduce risk through local policies

GROWTH FROM WITHIN THE CORE

The following diagrams show a growth strategy focused on near term infill that supports current business and builds on the momentum of surrounding development. Strengthening the core of the city utilizes utilities and infrastructure already in place while providing more residents with exceptional proximity to jobs, transit, parks and cultural amenities.



10-YEAR OUTLOOK

+1,000
 UNITS

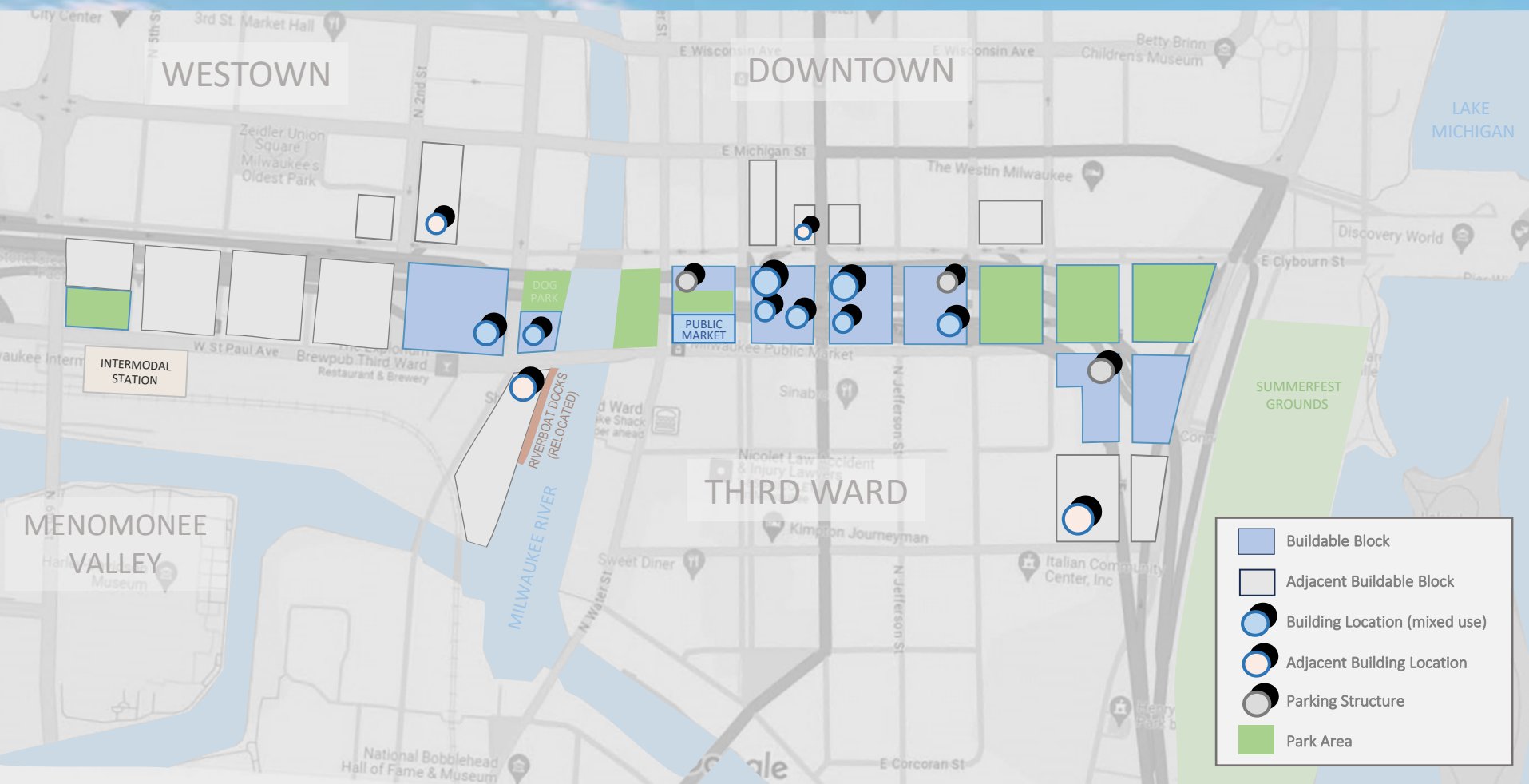
+1,400
 RESIDENTS

+\$58M
 LOCAL DISPOSABLE \$/YR

+\$300M
 TOTAL PROPERTY VALUE

+\$150M
 TOTAL PROP. TAX COLLECTED

In the first 10 years, new buildings are concentrated in strategic locations to anchor blocks and support existing businesses. The pedestrian mall of N. Broadway is expanded to connect to the Third Ward and Downtown. Yet to be developed land becomes public park space activated with large sculpture art, sport courts and events.



20-YEAR OUTLOOK

+2,000
UNITS

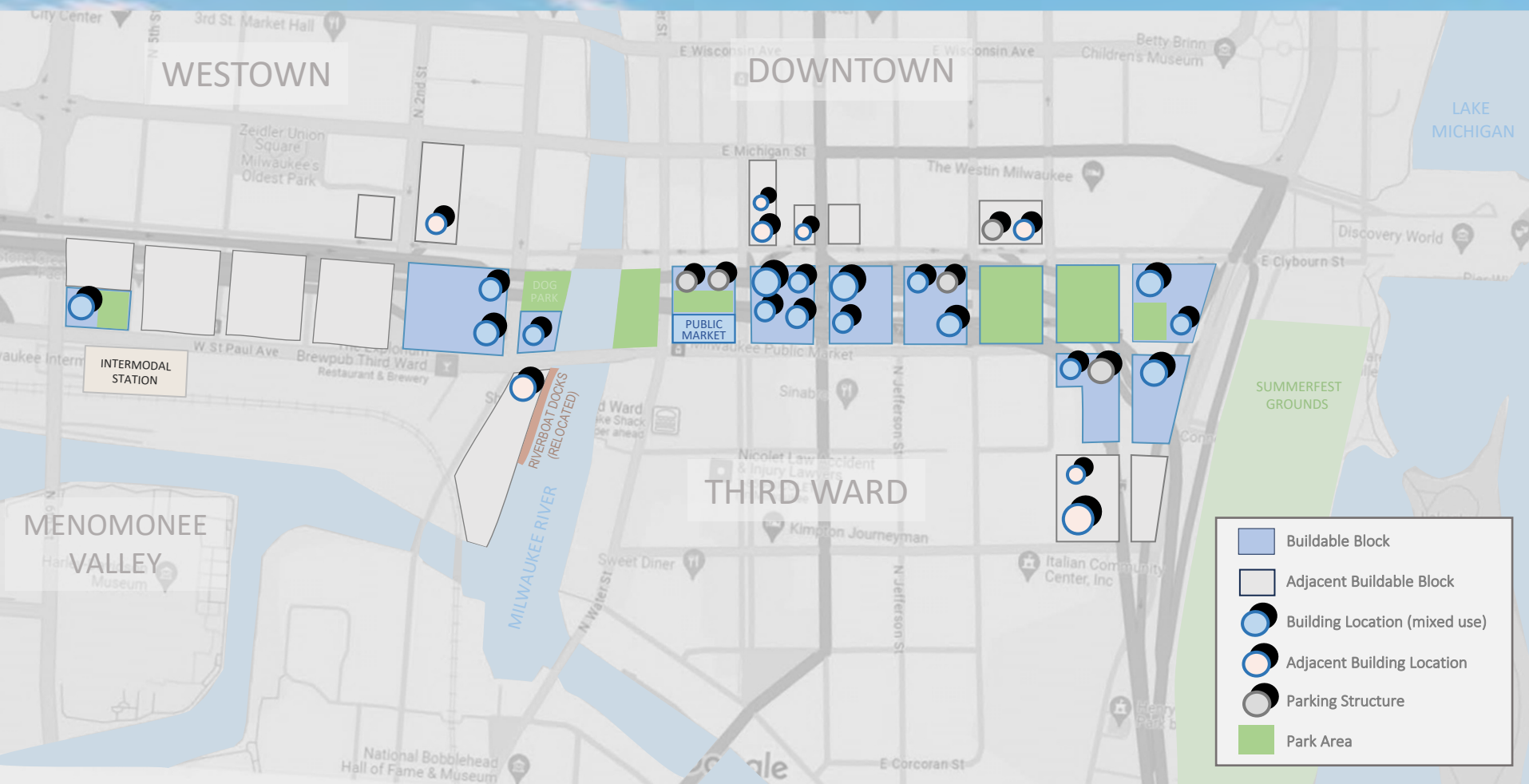
+2,800
RESIDENTS

+\$117M
LOCAL DISPOSABLE \$/YR

+\$700M
TOTAL PROPERTY VALUE

+\$300M
TOTAL PROP. TAX COLLECTED

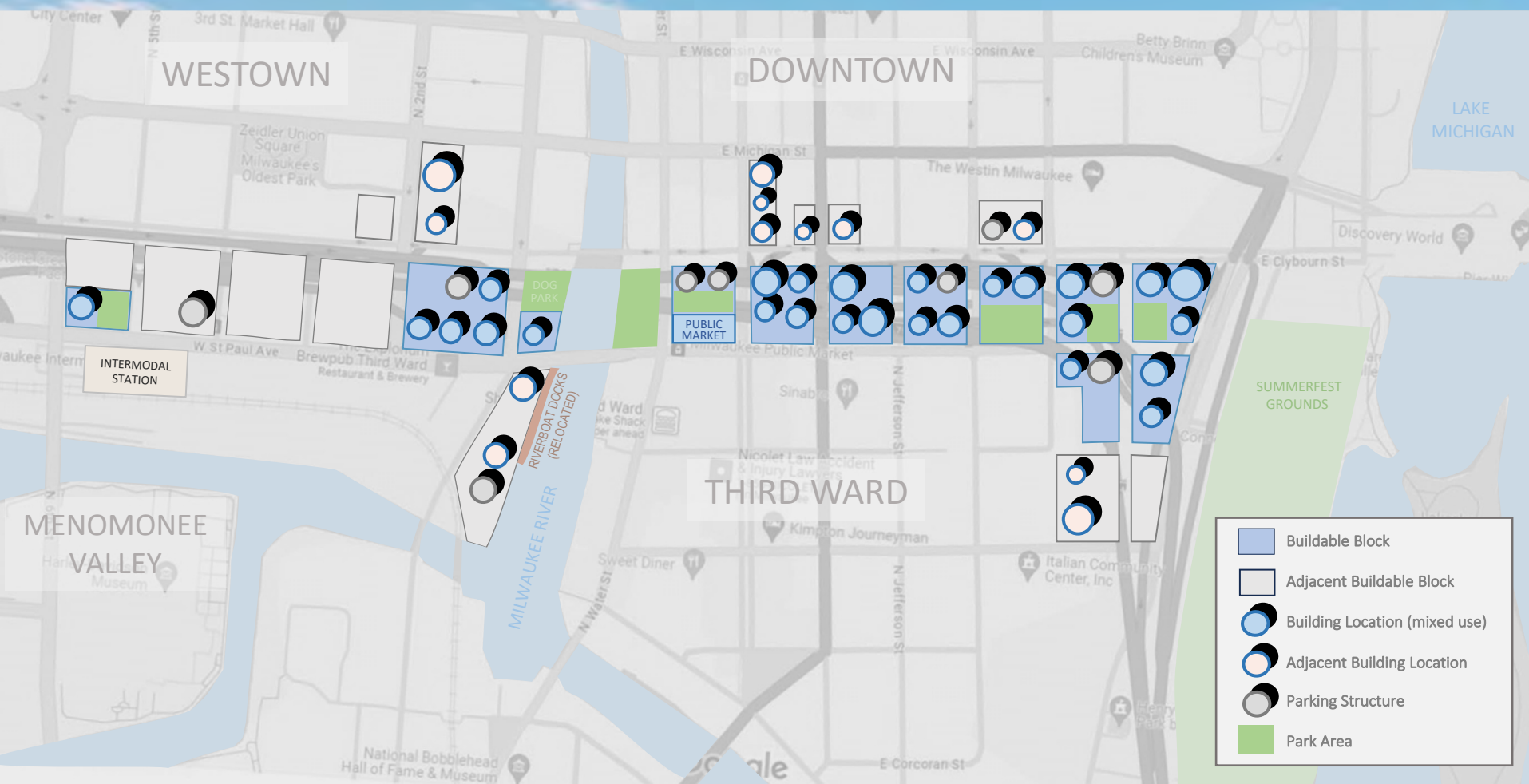
As momentum picks up a new neighborhood begins to form and attractive real estate entices not just regional, but national business relocations. More young workforce talent is retained in state. The city uses land to incentivize and generate revenue for affordable housing goals. Clybourn Blvd. becomes a shopping designation for visitors.



30-YEAR OUTLOOK

+3,000 UNITS
+4,200 RESIDENTS
+\$175M LOCAL DISPOSABLE \$/YR
+\$1.1B TOTAL PROPERTY VALUE
+\$475M TOTAL PROP. TAX COLLECTED

After 30 years, development reaches ~90% capacity with a thriving mix of housing (market rate & affordable), shops, office, hotels, park and community space. Buildings and streets create a seamless connection between Westtown, Downtown, The Third Ward and the Lakeshore. Of the original park space, a few smaller public parks remain.



OPPORTUNITY

A GENERATIONAL OPPORTUNITY

After 30 years of development in place of the 794 segment, the total benefits amount to:

- \$475M in property taxes
- \$60M in city sales tax
- \$3B in cumulative additional disposable income
- \$1.1B in added property value
- 3,000+ housing units (20% affordable)

In 794's place we would see:

- New retail, restaurants, hospitality and entertainment
- New employers attracted to locate Downtown
- Improved transit/ multimodal connections
- High-energy public spaces
- Improved local business markets
- Larger long-term tax base



Development Capacity Analysis

		NEW UNITS BUILT 100 units built each year for 5 years	NEW PARKING 1.1 spaces per unit	PROPERTY VALUE of units built during each 5 year interval \$350,000/ unit	PROPERTY TAX COLLECTED during each 5 year interval: mil rate of \$26 per \$1,000 of value
<i>from</i>	<i>through</i>				
2025	2030	500	550	\$ 175,000,000	\$ 22,750,000
2025	2035	1,000	1,100	\$ 350,000,000	\$ 45,500,000
2025	2040	1,500	1,650	\$ 525,000,000	\$ 68,250,000
2025	2045	2,000	2,200	\$ 700,000,000	\$ 91,000,000
2025	2050	2,500	2,750	\$ 875,000,000	\$ 113,750,000
2025	2055	3,000	3,300	\$ 1,050,000,000	\$ 136,500,000
After 30 years					\$ 477,750,000

Local Spending and Sales Tax

		NEW UNITS BUILT 100 units built each year for 5 years	AVERAGE HOUSEHOLD SIZE	POP. INCREASE	LOCAL SPENDING \$3,500/mo. per person for each year	LOCAL DISPOSABLE INCOME per year over 5 years	CITY SALES TAX REVENUE Sales tax revenue city: 2%
<i>from</i>	<i>through</i>						
2025	2030	500	1.4	700	29,400,000	\$ 147,000,000	\$ 2,940,000
2030	2035	1,000	1.4	1,400	58,800,000	\$ 294,000,000	\$ 5,880,000
2035	2040	1,500	1.4	2,100	88,200,000	\$ 441,000,000	\$ 8,820,000
2040	2045	2,000	1.4	2,800	117,600,000	\$ 588,000,000	\$ 11,760,000
2045	2050	2,500	1.4	3,500	147,000,000	\$ 735,000,000	\$ 14,700,000
2050	2055	3,000	1.4	4,200	176,400,000	\$ 882,000,000	\$ 17,640,000
After 30 years						\$ 3,087,000,000	\$ 61,740,000

JOBS

ECONOMIC IMPACT COMPARISON

The number of jobs created by development would be more than double that of rebuilding this section of 794 infrastructure. If the downtown section of 794 was replaced with at-grade streets, building and construction jobs would be ongoing for 30 years. Those jobs would be steady over time compared with the one-time jobs involved with rebuilding infrastructure.

PRIVATE SECTOR JOBS

Construction trades, maintenance, management, retail and hospitality jobs would be created in the private sector by constructing upwards of \$1B in buildings. Compare this with the jobs in road construction/maintenance paid for by public tax dollars costing nearly \$300M.

The Third Ward Strategic Plan



Recent Development adjacent to I-794



COMMON GOALS

The State, County, City and adjacent communities share these common goals:

- Improve health, safety, wellness and quality of life
- Community building and prosperity
- Provide opportunity for all residents
- Improve outcomes of most disadvantaged
- Population and Job Growth of region
- Attract and retain business and talent
- Improve and maintain fiscal health of region
- Become a sustainable and resilient region



Grow the Downtown population to 40,000 residents by 2040

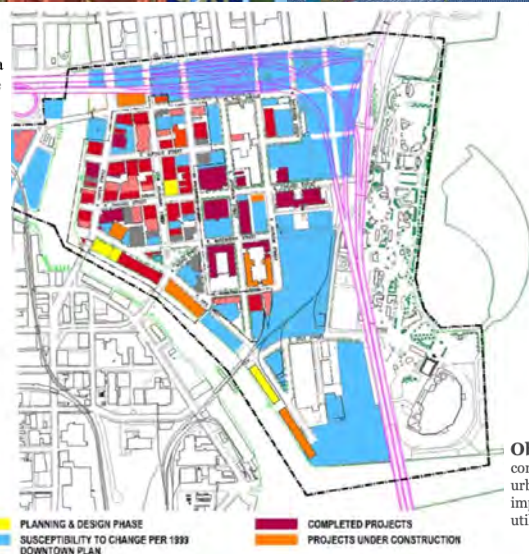
Add -15,000 housing units Downtown by 2040
20% of Units Affordable

Grow Downtown jobs to 100,000 by 2040

Leverage public land for the development of affordable and mixed-income housing, including encouraging a percentage of affordable units when soliciting and reviewing proposals for publicly owned land.



The State of Wisconsin Department of Transportation has recommended a new design for the I-794 Interchange at Lincoln Memorial Dr. when it needs to be constructed at some point in the future. This Plan strongly recommends re-examining alternatives that will provide added acreage for new development, including replacing the interchange with an at-grade conventional intersection or modern roundabout.



Connecting MKE calls for exploring the eventual removal of the I-794 Lake Interchange and replacing it with a traditional connected grid of comfortable multi-modal streets, public spaces, and high-density mixed-use development.

MILWAUKEE COUNTY GOALS

Create Intentional Inclusion

- 1A Reflect the full diversity of Milwaukee County at every level of county government.
- 1B Create and nurture an inclusive culture across Milwaukee County.
- 1C Increase the number of Milwaukee County contracts awarded to minority and women-owned businesses.

Bridge The Gap

- 2A Determine what, where and how we deliver services based on the resolution of health disparities.
- 2B Break down silos across Milwaukee County government to maximize access and quality of services offered.
- 2C Apply a racial equity lens to all decisions.

Invest in Equity

- 3A Invest "upstream" to address root causes of health disparities.
- 3B Enhance Milwaukee County's fiscal health and sustainability.
- 3C Dismantle barriers to diverse and inclusive communities.

Our mission is to improve metro Milwaukee as a place to invest capital, grow business and create jobs.

For more than 150 years, the Metropolitan Milwaukee Association of Commerce (MMAC) has been serving area businesses as a private, not-for-profit organization. Today we represent 1,800+ member businesses with more than 300,000 employees in Milwaukee, Waukesha, Washington and Ozaukee counties and beyond.



Vision

MMSD envisions a healthier, cleaner, resilient region.

Mission

MMSD protects public health and the environment through world-class, cost-effective water resource management, leadership, and partnership.

Mission

To strategically invest in Wisconsin to enhance the economic well-being of people and their businesses and communities

Vision

An Economy for All, where every Wisconsinite has the opportunity to thrive



Objective: Create a new series of multi-modal connections that further weaves the Valley into the urban grid and its adjacent neighborhoods. New and improved connections activate previously under-utilized Valley areas.

BEYOND I-794: BUILDING AN EQUITABLE, JUST, AND INCLUSIVE MILWAUKEE FOR ALL

The removal of I-794 may benefit some, but it is essential to recognize that this decision alone does not address the deep-seated inequities and injustices faced by Milwaukee's Black neighborhoods. True progress will require a sustained, community-driven effort to repair the damage caused by urban renewal, redlining, and divestment and to create a city where every neighborhood can thrive.



LEARN MORE

RETHINK 794

<https://www.rethink794.com>

LAKE INTERCHANGE STUDY – WisDOT

<https://www.794lakeinterchange.wisconsin.gov>

MOVING MILWAUKEE FORWARD

<https://www.youtube.com/watch?v=QhgVwXkWgrM>

AUGMENTED REALITY

www.I794.com

RECONNECTING COMMUNITIES FEDERAL PROGRAM

<https://www.transportation.gov/reconnecting>

FREEWAY FIGHTERS NETWORK

<https://freeway-fighters.org>

DOWNTOWN PLAN – MILWAUKEE AREA PLANS

<https://city.milwaukee.gov/DCD/Planning/PlansStudies/AreaPlans/Downtown>

BEYOND I794: ENVISIONING A MORE JUST AND INCLUSIVE MILWAUKEE

<https://hyfin.org/2024/04/10/beyond-i-794-envisioning-a-more-just-and-inclusive-milwaukee/>

HOW HISTORY OF SOUTHEASTERN WI FREEWAYS AFFECT THE I-794 DEBATE

<https://www.milwaukeeemag.com/how-the-past-of-southeastern-wisconsin-freeways-affects-the-i-794-debate/>

BRIDGING DIVIDES: THE CRUCIAL ROLE OF COLLABORATION IN HIGHWAY REMOVAL

<https://www.planetizen.com/features/132676-bridging-divides-crucial-role-collaboration-highway-removal>

CREDITS

Rethink 794 is a volunteer group advocating for the removal of the 794 segment through downtown to benefit the public and grow Milwaukee: This document is authored by Larry Witzling, Taylor Korslin, Gregg May, and Carl Glasmeyer. Other volunteers with Rethink 794 include: Montavius Jones, Xu Zhang, Gard Pecor, John Everitt, Jeff Bentoff, and Greg Walthers.

Wisconsin Department of Transportation: Diagrams used from WisDOT Lake Interchange Study

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Document photos: Downtown Plan, Third Ward Plan, Menomonee Valley Plan, City of Milwaukee, Milwaukee County, Milwaukee County Historical Society.

Dedicated in memory of bold civic leader and Alderman Jonathan Brostoff. Thank you for your support and unwavering commitment to bettering the Milwaukee community.

