



City of Omaha  
Jean Stothert, Mayor

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Mayor Jean Stothert and the Greater Omaha Chamber's Urban Core Committee are proposing to develop Omaha's first streetcar route through the city's urban core.

The streetcar will be built, operated and maintained without a property tax rate increase or sales tax increase.

It will run on a three-mile route from Cass to Farnam on South 10<sup>th</sup> street, Farnam west to 42<sup>nd</sup> Street, and back to 10<sup>th</sup> Street on Harney. The streetcar will be free for all riders.

Mayor Stothert made the announcement to coincide with Mutual of Omaha's decision to build a new corporate headquarters in downtown Omaha along the streetcar route.

"It's the right time for Omaha to support a streetcar," said Mayor Stothert. "Omaha is rapidly developing from the riverfront to the University of Nebraska Medical Center. A streetcar will lead to additional development of our core which benefits the entire city. Mutual of Omaha's plan to build a new downtown headquarters is the first example of what is possible and why now is the time. The momentum we have to forever change our urban core is undeniable."

The streetcar provides access to jobs, housing, attractions, entertainment and recreation, higher education institutions, and health care. It will allow residents, employees and visitors to move into, out of, and around the downtown and midtown core, limiting the need to drive between destinations and search for parking. And, it will increase the level of new development along the route, projected at \$3 billion over the next 15 years and \$5 billion in 30 years.

Over the last five years, more than \$4 billion in development has been completed, planned, or is underway in downtown Omaha, and midtown including The RiverFront, Kiewit Luminarium, the Mercantile, Millwork District, Builders District, Blackstone, Capitol District, Civic Corner (former Civic Auditorium), Steelhouse Omaha, and Project NExT at UNMC. The streetcar will provide convenient connections to link these urban neighborhoods and destinations.

Additionally, the 2020 voter-approved bond issue to repair streets provides an additional \$200 million to accelerate and double street repair and rehabilitation. In the first 18 months of the Street Preservation Program, more than \$80 million in additional road projects has been completed citywide; in 2022, \$66 million in projects is planned.

"We made a commitment to fix the roads first and we are doing that," said Mayor Stothert.

And, as a result of ORBT, Metro's bus rapid transit on Dodge Street, the City's Transit Oriented Development code has already resulted in new developments along the ORBT route, totaling \$119 million, four are underway, three in the approval process.

"The development that has resulted from our new Transit Oriented Development program demonstrates that a far larger investment along the streetcar route will bring dynamic and sustained development to our rapidly changing city," said Mayor Stothert.

The current projected cost to build the streetcar is \$306 million, which includes a 35% contingency.

The Urban Core Committee, created to produce a strategic plan for the urban core, developed the streetcar financing plan. The city's General Fund budget will not be used to build, operate, or maintain the system.

Currently, 46 U.S. cities have or are planning modern streetcars, which have been shown to increase the value of properties within several blocks of the line by 10-30%. Research shows development along a streetcar line outperforms projections.

Construction costs for Omaha's streetcar will be paid through this resulting economic impact from increased development along the route.

A Tax Increment Financing (TIF) District created along and within three blocks of the streetcar route, TIF on new developments and existing projects already within the district will fund the construction costs. All TIF proceeds generated in the district will be spent on public improvements.

Projections show the revenue generated within the TIF district will exceed the estimated construction and financing costs by at least \$30 million. The additional revenue may be used for other improvements to the urban core including affordable housing, one-way/two-way street conversions, bikeways, and pedestrian improvements.

The City will use a combination of Revenue Bonds, Private Placement Bonds, and philanthropic funds for construction costs. "Revenue Bonds and Private Placement Bonds are placed with buyers who assume the risk, the risk is not on the taxpayers," said City of Omaha Finance Director Steve Curtiss. "There is a strong market for these types of bonds."

The bonds will pay the immediate construction costs while the TIF proceeds generated over 15-20 years will be used to pay the bonds.

Annual costs to operate and maintain the streetcar system are estimated at \$6.4 million, paid by the City's Parking and Mobility Division Enterprise Fund, which generates revenue from parking fees in garages and meters.

The streetcar system will be owned by the City of Omaha and operated by a new Streetcar Authority, created through an inter-local agreement with the City of Omaha and Metro Transit.

The streetcar is the next phase of a Total Mobility System which also includes bus rapid transit, bus routes, bike lanes, vehicles, and pedestrian access. It reduces the need for parking in the urban core, clearing the way for additional residential and commercial development.

“Excess, unused parking takes up valuable real estate and chokes downtown development,” said Mayor Stothert. “The streetcar is a mobility solution that benefits our entire community by opening land for housing, development and jobs.”

Numerous plans and agreements will require City Council public hearings and approval to maintain the construction schedule. Design work will begin this year, construction will be complete in 2025, testing and operation is scheduled in 2026.

“It’s very important that we elevate the development of downtown and midtown by maximizing the use of parking and creating development opportunities. The streetcar does that,” said Mayor Stothert.