



**Tom Barrett**  
Mayor, City of Milwaukee

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## **Mayor Barrett State of the City Address**

February 25, 2009

Fellow Milwaukeeans and special guests, I am pleased to stand before you to present my fifth report on the State of our City.

Thank you, Gail for that welcome and introduction, Harley-style.

Welcome to Harley-Davidson's world-class attraction and welcome to the Menomonee Valley.

When I took office in 2004, the Harley-Davidson Museum project was at a standstill.

I immediately committed my administration to moving forward with the plans and together, with Harley-Davidson and the Common Council, this incredible cultural asset rose out of an old public works yard. We also saved the taxpayers money by consolidating two public works facilities into one.

These projects are never easy, but they are certainly worth our efforts. Thank You Harley-Davidson for your commitment to Milwaukee.

I chose this venue not only because of the Harley-Davidson story, but also because of the story of the Menomonee Valley. I hope when you drove here this morning you took Canal Street, and if you didn't, I strongly encourage you to drive through the Valley soon. What you see today is in stark contrast to what you would have seen just five years ago. What was then the City's biggest eyesore has become home to growing companies and first-rate attractions.

It's an invigorating drive, and during a time when the economic news is not good, it's a great example of what forward thinking can achieve.

It is because of the collective efforts of all our Valley Partners that The International Economic Development Council recently recognized Milwaukee with an award for its achievement in redeveloping the Menomonee Valley.

The Valley was recognized as one of the world's 25 best economic development projects. Drive through it, and you'll see why.

The Harley-Davidson Museum rightly deserves all the praise and press it receives. This company has survived the Great Depression, the economic turmoil of the 1980s, and other difficult times.

What hasn't grabbed a lot of headlines is Harley's commitment to its historic west-side neighborhood. It's there where you'll find the Harley-Davidson Targeted Investment Neighborhood strategy at work.

The targeted investment initiative dedicates public and private resources to improving quality of life and strengthening the neighborhood.

Working with the City, Harley employees and residents around its headquarters have worked to address nuisance properties, improve public safety, clean up litter, and make home repairs.

In fact, 48% of neighborhood residents participated in this effort.

I am confident Harley-Davidson will continue to be one of the most successful brands associated with the City of Milwaukee.

We are all facing difficult and uncertain times. But just like Harley-Davidson, Milwaukeeans are resilient. I am fully confident that Milwaukee will withstand the current economic downturn. We will make smart investments, continue to build strong partnerships, provide training to our workforce and improve our public schools. We WILL emerge as a stronger and more competitive city.

Even during this economic downturn, we see signs of optimism. In late 2008, we transformed a brownfield into a success story. We used a remediation strategy to help a central-city business expand in its current location. Medovations, a medical products company, embarked on a \$3 million expansion, maintaining its current workforce and adding 12 additional jobs. This is the first physical expansion of this company and we are thrilled to put a brownfield back to use. Equally exciting, the company hires nearly all of its employees from the central city, and provides on-the-job training.

The City celebrated the 9th groundbreaking in the Valley with Charter Wire's new facility, a facility that will be home to 115 employees. Elsewhere in the Valley, the Canal Street Commerce Center, the Harley-Davidson Museum and Derse have all opened for business, and the Potawatomi Casino has expanded.

Through the development of more than a dozen projects, more than 2000 jobs have been created.

I'm proud to say that one of the first new businesses in the Valley is already exceeding our expectations. Palermo's Pizza now has 400 employees and is strongly committed to my Summer Youth Jobs Initiative.

In an effort to replicate the success in the Valley, the City has invested \$6.4 million in assisting businesses in the 30th Street Industrial Corridor. Through the use of our TIF financing tool, we assisted DRS in upgrading its facility.

In 2009, we plan to tackle three of the worst brownfields in the 30th Street Industrial Corridor. The old tannery on 32nd & Hampton will be part of the Bishop's Creek development. Further south, we have our sights set on the former Tower Automotive plant, and we're going to clean up the former Esser Paint factory on 31st & Galena.

Great progress is being made on Milwaukee's south side in the Airport Gateway Business Improvement District. I'd like to thank Alderman Terry Witkowski for his leadership.

We couldn't be more pleased with the progress on the Brewery Project. This \$205 million redevelopment will be the first 'sustainable' LEED-certified neighborhood. The city assisted with a \$29 million TIF to fund demolition, environmental cleanup, new 'green' streets, sewers and sustainable public improvements. The Keg House was converted into the Blue Ribbon Lofts. And, we celebrated when the newly-converted Boiler House welcomed its first two commercial tenants.

I'm grateful to Joe Zilber for his continued civic philanthropy, and I look forward to working with him for many years to come.

One of the keys to a stronger neighborhood is a stronger workforce. I want our workforce development to be the best in the nation in helping those most in need find family-supporting jobs. Since taking over Workforce Investment, we've created a more demand-driven and customer responsive system with activities to connect employers with employees.

The Workforce Board has identified key new partnerships with City employers, such as Supersteel on the Northwest side. Through its customized welding and manufacturing skills training program, the Board helped meet Supersteel's need for an additional 26 trained employees.

Growing and attracting green industries is central to my vision for Milwaukee. New green technologies create jobs and lower costs.

A 2008 sustainability survey ranked the 50 largest U.S. cities based on water quality, recycling and energy efficiency efforts. Milwaukee ranked 12th, up from 16th in 2006.

And we're not slowing down.

At the current rate of water use, the U.S. will need 16 trillion additional gallons of fresh water per year by 2020. This is equal to one-fourth of the combined outflow of ALL the Great Lakes.

1.2 billion people worldwide suffer from a lack of clean water.

2.6 billion people lack adequate sanitation, primarily due to water conditions.

Milwaukee must grow its water economy. Here in Milwaukee, our companies have developed cutting-edge research and technologies associated with treating water and preserving water quality. We're also home to companies that invent and produce water-quality related equipment.

I'm not talking about selling our water. I am talking about growing and selling our expertise with treating freshwater. Water WILL be one of the largest economic growth sectors in the world over the next few decades. And Milwaukee can be the hub for freshwater technologies and research if we do something NOW to plan for our future.

That's where the Milwaukee 7's Water Council comes in. It has a membership of more than 100 water technology companies. Combining that business innovation with UWM in a School of Freshwater Sciences AND the research of the Great Lakes Water Institute is a shared goal that must be realized.

Governor Doyle has authorized the school in his budget. Now, we must work to ensure that the financial commitment is there at the end of the state budget process.

Imagine a School of Freshwater Sciences with a front door on our incredibly beautiful lakefront. On the near-south side, we will have the School's freshwater research facilities and a water technology business park. We can and must accomplish this.

I want to thank Badger Meter's Rich Meussen, UWM Chancellor Carlos Santiago and GMC President Julia Taylor for their leadership in shaping and pursuing this goal, and I pledge that I will do all I can to make the school and the water technology park a reality.

Innovations in the way government delivers services will also improve Milwaukee's competitive standing. Over the past few months, I have been in discussions with MMSD over its annual \$14.6 million natural gas bill. We think it's time for a less expensive option.

Just yesterday, I announced that Veolia Environmental Services and MMSD will proceed on the construction of a 17-mile methane gas pipeline that will capture landfill gas in Muskego and deliver it to the Jones Island Water Treatment Facility.

Presently, the landfill gas is flared off at the landfill. That's money going up in smoke.

The methane gas will be transported through the pipeline and then converted into a fuel source to heat and dry Milogranite. With the installation of five new methane gas turbines, MMSD will be

able to meet its electrical needs and eventually produce excess electricity to put back on the electrical grid.

This project will result in lower customer bills for families and businesses, especially our businesses that use a lot of water in production...think Miller beer. This is a great win-win for businesses and the environment.

I want to thank MMSD Director Kevin Shafer, Commissioners Preston Cole and Alderman Ashanti Hamilton, as well as the staff from MMSD and Veolia.

This pipeline is also ripe for federal stimulus dollars and we're going to do all we can to get the funding for this and other job-producing projects that help to improve our infrastructure.

I know there are critics of President Obama's stimulus plan. I am not one of them. Congress and the President have made the decision to spend the money. Since our taxpayers are going to help pay that money back, I'd much rather have that money spent in Milwaukee, Wisconsin, than Milwaukie, Oregon.

Since last November, I have been working with Congresswoman Gwen Moore, Congressman Dave Obey, and Senators Herb Kohl and Russ Feingold to make sure Milwaukee's needs were addressed in the bill. Last Friday I met with President Obama and members of his cabinet.

I want to also acknowledge the leadership that Common Council President Willie Hines has brought to this issue. The Council and I understand that spending wisely and putting Milwaukeeans to work is paramount. Thank you, President Hines.

We have the opportunity to invest in our infrastructure and our workforce. In these difficult times, we have to do all we can to build upon both. Improving our local roads is good for residents and businesses alike. Attacking lead poisoning lowers health care costs. Weatherizing our older housing stock reduces energy bills and improves the value of City homes. Leveraging federal funds for our police department helps keep our streets safe. Repairing and improving the KK River channel will enhance the value of nearby neighborhoods and add to the City's green space. Cleaning up the environmental problems at the old Tower Automotive site will lead to future development, more jobs and an increase in the City's tax base. Investing in high-speed and commuter rail will enhance Milwaukee's standing as the state's center of commerce and a national destination.

These are the types of activities I want to pursue for funding.

These are investments that will pay off in the future and investments that are worth making. We must continue to grow Milwaukee.

In order to grow Milwaukee, we will need to capitalize on partnerships at all levels. Governor Doyle and I recently formed a partnership with the Milwaukee donor community to study the finances of the Milwaukee Public Schools.

I'm expecting the work and findings to be completed within the next few weeks. The Governor and I will then present a report and prepare legislation to be taken up by the State Legislature.

I can tell you that the briefings I have had on the schools so far are some of the most sobering and difficult meetings I have had since becoming Mayor.

The fiscal challenges facing MPS are serious and will require both short and long-term solutions.

There are a number of factors that drive the district's financial bottom-line: enrollment, excess facilities, district spending and state school aid formulas.

As you know, for years I have been fighting to fix the flaws in the funding of the Milwaukee Parental Choice Program. No matter how you feel about school choice, the fact is Milwaukee property taxpayers pay a disproportionate share of the program's costs. These costs get attached to the Milwaukee Public School levy, drive up our property taxes, and decrease the amount of money that flows into our classrooms.

I am hopeful today that this scenario is about to change.

Governor Doyle has included in his budget a provision that phases out after five years the property tax burden caused by not including school choice program students in the calculation of school aids for Milwaukee.

If this provision is included in the final state budget - and I strongly encourage all of you here to contact your state legislator and tell him or her to support the provision - Milwaukee taxpayers will receive \$38 million in property tax relief once the phase-in is fully implemented. In the first year alone, we will receive \$10 million in tax relief.

This is a huge step forward and I want to express my thanks to Governor Doyle.

Fixing the school aid funding flaw is only one piece of the puzzle. Unfortunately, there are a lot of pieces and not all of them fit together nicely.

As we have worked through the fiscal review of MPS, the issue of school governance has naturally risen from the discussion. I said a week or so ago that it is time for this community to have a very frank and serious conversation about the future of our schools.

I don't believe that I'm alone in asking if the structure we have in place today is the best structure to address the issues facing Milwaukee Public Schools now and into the future.

The review of school finances does not address the governance issue. It is the district's finances and performance that raise the governance issue.

I have the responsibility to do all I can to ensure the growth and stability of our great city. That responsibility includes doing everything I can to improve the Milwaukee Public Schools.

Hiring and retaining great teachers, getting more dollars into the classroom and preparing our students for a bigger and more competitive world are what I want - what most of us want.

Improving our schools will not be accomplished with any magic potion or any quick fix. That's why now is the time to have that very frank conversation about the future of MPS.

It's a conversation that should be conducted with civility and reason. Teachers are dedicated public servants. A career in the classroom is significant and one involving a great deal of personal sacrifice. Parents rightly want the best education possible for their children and our students should always be our main concern.

Unfortunately, City government is not immune to the international economic downturn.

I will prepare our next budget so that it's balanced and doesn't over-burden our residents and businesses. There will be tough cuts.

Not surprisingly, the City's finances are closely related to the condition of the economy. During my first 5 years in office the City's budget has balanced City services while dealing with declining State aid in a fiscally responsible way. That trend will continue as we address our priorities in difficult times.

Governor Doyle's budget contains relatively modest shared revenue cuts. The cuts could have been deeper and I appreciate the Governor's efforts to maintain a funding freeze in 2010. Nevertheless, the City's budget picture is very cloudy.

It is more important than ever that the Mayor and the Common Council address these serious fiscal issues as collaboratively as possible.

To that end, I am moving forward on a suggestion offered by Aldermen Michael Murphy and Nic Kovac that we implement joint fiscal planning discussions, which will also involve the Comptroller and representatives from the private sector. In addition, the reconstituted Capital Improvements Committee has the potential to provide serious and well-informed discussion regarding our budget priorities for infrastructure and public buildings.

I've also directed my cabinet to continue developing partnerships that will produce efficiencies and tax savings.

From the day I first took office, I have made public safety my top priority. With scarce municipal resources, I still put more cops on the street. The cooperation among police officers,

the clergy, community agencies and individuals has led to some very gratifying results. Homicides of young African American men plunged 65% last year-from 54 in 2007 to 19 in 2008. That's still too many homicides and we have much work to do, but it is an astonishing one-year drop.

Violent crime is down in all categories. I am grateful to all the men and women of the Milwaukee Police Department for their hard work.

The City funds numerous activities that help to reduce violence in our neighborhoods as well.

From the City Attorney's office and the Department of Neighborhood Services, to the Health Department and its focus on family violence prevention through the Commission on Domestic Violence and Sexual Assault, we are making a difference.

There is a shared desire in Milwaukee to make our city safer and stronger by reducing crime.

My Office of Violence Prevention has been bringing community stakeholders together. I offer my appreciation to the Homicide Review Commission, our partners in the District and U.S. Attorney's offices, neighborhood groups, and members of the clergy.

It's people like Elder Ruben Madison Jr., block club captain on the 3100 block of N. 21st street, who are helping to make the difference. He's teamed up with others to rid the neighborhood of nuisance properties and drug dealing. And with the help of his community liaison officer, enlisted many allies who have worked tirelessly to take back this block.

They've done it so well, they're now moving on to the next block and will help the residents there organize their own improvement effort.

I'd like to recognize Elder Ruben and the other individuals for contributing to the success of this effort. Please stand and be recognized.

Adam Stephens of the City Attorney's Office...

Ron Roberts and Matt Dama of the Department of Neighborhood Services...

Jake Corr of the District Attorney's Office...

Taleeba Mateen and Al Hegwood of Safe & Sound

AND, Ray Robakowski, of the Milwaukee Police Department.

I also want to recognize Tina Chang of Syslogic and Don Layden of Metavante for stepping forward and responding to Chief Flynn's request for computer technical support. The department's focus is on data-driven policing, making its IT systems critical to its crime-fighting strategy. Tina is with us today and on behalf of city taxpayers, I thank you.



While crime is down, unfortunately, foreclosures are up.

Currently, there are more than 1,800 bank-owned foreclosed properties in the City and more than 4,700 foreclosure filings. Families are being disrupted and our most vulnerable citizens are being impacted. Tenants in foreclosed homes are being evicted with little or no notice. Vacant and boarded-up homes can undermine a neighborhood. They also impact the City's tax base.

We're meeting this crisis head on - with strong partners.

I convened the Milwaukee Foreclosure Partnership Initiative to help. This group assisted us in developing a coordinated strategy to address the foreclosure issue. More than 100 volunteers representing a broad range of community interests answered the call. I thank them all for their efforts.

The partnership developed a plan to intervene with homeowners currently at risk, stabilize neighborhoods and prevent foreclosure issues from developing in the future.

Here are a few of the steps we're taking as a City:

Milwaukee will soon launch a Homeownership Consortium that will enhance homebuyer education and financial literacy efforts.

We are moving forward with a Court Appointed Mediation program that will bring lenders and borrowers to the table. Similar programs in other parts of the country have achieved considerable success. Thank you to Catey Doyle and the Legal Aid Society for spearheading this program.

Alderman Joe Davis and I have been working to secure funding to launch this effort. I'm pleased to announce the City will be contributing \$100,000. Thank you, Alderman Davis for your support.

And just yesterday afternoon, I spoke to Attorney Van Hollen who indicated that his office would contribute a significant amount to the mediation effort as well.

In addition, the City has received \$9.2 million of federal funding to help address the foreclosure problem. Our plan for using those funds has already been approved by HUD. The funding will be available in a few weeks and we are moving forward to help homebuyers, responsible landlords and developers put foreclosed homes into use.

If we are to become a thriving economic engine fueling others, then we will need to build on our regional partnerships. The time is now with the federal stimulus on its way, and the opportunities are exciting.

We need to support and pass the Regional Transit Authority legislation. Our region is much more than interstate highways. An RTA that funds and operates transit will be an asset to Milwaukee and to the region. With an RTA in place we can reverse the death spiral of the current County-

operated transit system, expand transit services so workers can be connected to regional jobs and extend commuter rail from Kenosha to Milwaukee.

I'm asking all regional leaders to join me in supporting the high-speed rail initiative. There's eight billion in the stimulus package for this and it has Milwaukee and Wisconsin written all over it.

It is also time for regional leaders to join together and demand that federal and state transportation officials recognize that transportation is more than widening highways. It's also about local roads and mass transit.

The first action we should take is to re-direct the state's \$21 million appropriation for the construction of the Pabst Farms exit. That money should go into local roads. Let's put those dollars to work repairing potholes and paving local roads that are heavily traveled right now.

In tough economic times, we really do need to appreciate what makes Milwaukee such a great place. For example, in 2008, we tied for the second lowest number of fire deaths in well over 50 years. Thank you, Chief Doug Holton and the brave men and women of the fire department.

The Health Department formed a partnership with both the Boys and Girls Club and the Fire Department to provide immunizations to Milwaukee citizens. During 2008, the Health Department provided more than 30,000 vaccinations to children and adults representing a 14% increase over 2007.

Thank you, Commissioner Baker and the staff of the Milwaukee Health Department for your hard work. Thanks also to the many people who are working to help students through the I Have A Dream Milwaukee Program. We officially started our program this past September at Clarke Street School.

Last year, we saluted the Kellners' for their generous contribution to cover college tuition costs for the entire first grade. This year we salute the Brady Corporation for taking on the entire second grade. CEO Frank Jaehnert from Brady is with us today. Thank you, Frank.

Thanks to all of you who have participated in my summer youth jobs program. We all need to help build the skills of Milwaukee's future workforce and provide hope in the lives of young people. That's why I'm asking you again to join the Earn and Learn Team. I'm very pleased John Kissinger of GRAEF is the co-chair of this year's program and is with us today. Thank you for your partnership in this very worthwhile endeavor.

Finally, I want to follow-up on an announcement I made at last year's State of the City address. In tough economic times, with less money for family vacations, what better way to spend a summer weekend than to watch the Great Circus Parade.

Yes sireee, step right up. On July 12, Milwaukee will once again host this national treasure. Please join us as we celebrate. There will be many more details coming soon.

We are facing economic challenges not seen in this Country for generations. It's important that as we leave here today, we remember the difficulties and challenges our parents and grandparents faced as they made their way through the most difficult economic time our country ever confronted. They were optimistic and confident, and that attitude went a long way.

I am confident that Milwaukee will weather this economic storm. I believe in the strength of our community and that the progress we've made will continue through successful partnerships with businesses, unions, and community groups.

We do not stand alone; we stand and rise together.

I ask you to be optimistic, to be part of the positive change and to join the progress that's happening in our City. I look forward to working with all of you. Thank you for coming.