

## 2017 State of the City As Delivered by Mayor Tom Barrett

## Harley-Davidson University March 6, 2017

Good morning, I'm Tom Barrett, mayor of the City of Milwaukee, and one of my first jobs was right here at Harley-Davidson where I was working on the assembly line and I learned how not to drop an engine on the factory floor.

In high school, I worked as an usher at County Stadium, in fact I was an usher at the very first ever Milwaukee Brewers game, so it's particularly gratifying to have the Brewers as part of my soon-to-be-announced 2017 Earn & Learn All Star Team and to have Harley-Davidson as a generous donor to our Earn & Learn Fund. Let's give a round of applause for all of those involved.

So it feels great to be back here. My early jobs have always stayed with me. Everyone remembers their first job. That first job teaches us how to work with people, show up on time, and be responsible.

With your help, I am confident this will be a banner year for our efforts to give Milwaukee teens that positive first work experience through my Earn & Learn program.

Milwaukee is a City with 600,000 stories – some tales of triumph and accomplishment, others of loss and sadness.

Think of a construction worker on a downtown site earning a good wage and supporting her family, or a student learning skills that will prepare him for a career in Milwaukee's new economy. It's an artist, a family buying a first home, or an entrepreneur starting a business.

The state of our City is the sum of all these stories. And, together, we are defining what's next for Milwaukee. Partners like Harley-Davidson are leading the way.

In 1903, William Harley and Arthur Davidson were working out of a shed not far from here when they produced the first Harley-Davidson motorcycle. In 1912, construction began on the headquarters and main factory buildings, which is the complex we are in this morning.

Harley-Davidson is a global brand and a hometown anchor with a world-class museum in the Menomonee Valley.

Now, take a look at these motorcycles. They're amazing motorcycles. The Harley-Davidson Foundation is donating this Tri Glide Ultra and Police Sportster to the Milwaukee Police Department.

Thank you Harley-Davidson and thank you Joanne Bischmann for your gracious hospitality and generous donation.

Now I don't want Harley-Davidson to HOG all the attention this morning.

Two years ago, Harley-Davidson joined its neighbors MillerCoors, Marquette University, the Potawatomi and Aurora Health Care to form the Near West Side Partners.

German immigrant Frederick Miller hardly could have imagined MillerCoors when he purchased the Plank Road Brewery in 1855. But, 162 years later, the Brewery is still here going strong and the company just announced a \$50 million expansion for its 10th and Galena Leinenkugel plant. That's great news.

Both Marquette University and Aurora Sinai Hospital have been on the west side for more than a century. Marquette and Aurora will soon be breaking ground on a \$120 million sports research center along Michigan Street.

The Near West Side partner with the longest Wisconsin tenure is the Potawatomi. Since their forced relocation from the Menomonee Valley in the 1800's to their return in the 1980's, the Potawatomi's investments have been catalytic and stabilizing.

As you can see, this really is a significant partnership. Over 500 years of presence. Under the leadership of Keith Stanley, the Near West Partners are bringing together businesses and residents for the common good of the neighborhood.

The last time I spoke here at Harley-Davidson, the Partners, Police Chief Edward Flynn, District Attorney John Chisholm and residents launched a collaborative approach for tackling crime.

They took on a neighborhood crime hot spot, the 27<sup>th</sup> street Tobacco Shop.

Working together, they were able to get the property declared a nuisance and changed state law to prevent problems like this in the future.

This teamwork paid off when the property owner voluntarily agreed to close the shop. Talk about the power of partnerships.

I want to thank the Near West Side Partners for rolling up their sleeves and committing themselves to our City. Thank you, Keith.

In 2015, the Wisconsin Department of Revenue calculated that the amount of state revenue generated in Milwaukee exceeded the amount of state aid paid to the City, County and Milwaukee Public Schools by more than \$460 million.

I call that the Milwaukee Dividend.

This means the City is getting back 66% of what we send to Madison. So if anyone tells you Milwaukee is a drain on the state, please correct them immediately.

The Milwaukee Dividend is even more remarkable given the fact that the City is home to 72% of the region's poor, which is the second highest concentration in any major metro area in the country.

Compared to neighboring communities, we face more social problems, bigger family challenges, and more barriers as our residents seek jobs.

Of course the Milwaukee Dividend didn't happen overnight. It took years of strategic investments and a shared core belief in Milwaukee.

Schlitz Park, the Riverwalk, the rebirth of the Menomonee Valley, the Brewery development at the old Pabst site, the redevelopment of the Park East including Manpower, could all have been dismissed as pipe dreams. Thankfully, they were not.

As you saw in yesterday's newspaper, and as you see anytime you are in the city, the heart of Milwaukee is thriving.

\$3.4 billion in investments have been completed since 2005. Another \$1.7 billion in investments are under construction.

HSA Bank, the Hammes Company, Bader Rutter and Plunkett Raysich Architects have all chosen to call Milwaukee home. Direct Supply has opened a new technology Center on the MSOE Campus and is expanding its headquarters on the northwest side. BMO Harris is building a new office tower and constructing a new branch in Sherman Park. Zurn has opened its headquarters at the Reed Street Yards on the near south side. And Talgo is returning to Century City.

The energy of new entrepreneurs will also help define the new Milwaukee.

I want to make sure new businesses have an opportunity to thrive. We are a Kiva small business loan city where small loans have helped dozens of companies start and grow over the last three years.

Now when a mega-mart food store recently closed on National Avenue on the south side, there was understandable concern. But Milwaukee reinvents itself and entrepreneur Jalem Getz stepped forward. His company, Wantable, is growing fast and plans are in place to use the former food store as its base of operations.

But it's more than businesses. Since the beginning of 2016, 2,200 housing units have been completed or are under construction downtown. Since 2004, 16,000 housing units have been built city-wide.

Our appeal is easy to see. We are home to diverse and thriving neighborhoods, entertainment districts, world-class universities, major league sports and major league art and theater venues.

And, yes, we have the workforce for the companies moving in and for private developers who want to train and employ many of our most disadvantaged residents.

And here's more evidence of the positive vibe in the New Milwaukee. Construction job growth climbed 9.3% in the City between the first quarters of 2015 and 2016. This growth far outpaced state and national construction job growth in the same period. That shows you we're growing.

Across all sectors, Milwaukee's overall job growth and employment trends are positive.

As of last year, the number of Milwaukee residents working is at its highest level since 1998. The unemployment rate fell from 13% in February, 2010 to 5.1% in November, 2016. That's good news.

When it comes to connecting people with family-supporting jobs, the City of Milwaukee is stepping up.

I have made it a priority that our local workforce agency, Employ Milwaukee, establishes and builds connections with employers, our education and training institutions as well, and community-based organizations are also involved to get more people to work.

Just this past year, hundreds of workers, including many here at Harley-Davidson, have received specialized training and an earned employment through my Mayor's Manufacturing Partnership.

And this year, our Compete Milwaukee program will help individuals overcome barriers to employment, and will place 70 individuals in jobs with the City. Twenty of these placements will be for young people joining the Police Ambassador Program so that young people can understand the police department and the police department can understand our young people.

Starting next month, the new Milwaukee TechForce Training Center will become home to intensive training to help individuals move into family-supporting IT/tech jobs.

Now, isn't it great to see the arena taking shape? I like to see that crane. The crane is the Mayor's favorite bird, just remember that. As well as the Bucks training facility? As you're passing by, you're going to see Milwaukee workers. They're getting a paycheck and 25 years from now, they'll be telling their grandkids they built the home of the Milwaukee Bucks.

Our resident workers on the new Northwestern Mutual Towers will be telling the same story to their grandchildren.

I want to thank Northwestern Mutual, the Bucks, County Executive Abele and the County Board, members of the Common Council and the construction trades for their commitment and investments to put Milwaukeeans to work.

Right alongside the Arena, we envision a streetcar. It had a little controversy, but it's coming. And the Streetcar is on track. Construction starts this spring. Soon you'll see workers laying steel tracks in streets. This means jobs, a new transportation option and a powerful magnet for development, employers and new residents.

I'm proud to say that under Milwaukee's Residents Preference Program, at least 40% of the Streetcar construction workers will be Milwaukee residents. In fact, we may be the first streetcar project in the nation to use Resident Preference for construction. Our hope is construction jobs on the streetcar will be an important lifetime step.

With more Milwaukeeans working, more businesses moving here and existing businesses expanding, it's clear that our great City is a strong economic engine for the region and for the state.

Another indicator of the City's economic strength comes from the Wisconsin Department of Tourism which recently reported that Milwaukee leads the state in tourism economic impact with nearly \$1.9 billion in direct visitor spending and \$3.3 billion in total tourism related business sales. To keep pace, the number of downtown hotel rooms has exploded by 44% since 2008, with hundreds more expected. I'd like to see even more, and that could happen with an expanded convention center. Let's get that done.

Developers, investors and business owners have all bet on Milwaukee, which is fantastic and gratifying.

Our population has grown and stabilized because our residents, long-timers and new comers, young and old, love our city.

I say all of this because our economic growth and, in turn, our contribution to Wisconsin's prosperity, took a lot of hard work by a lot of partners, proving that by working collaboratively, we can accomplish great things.

Just as we worked together to build our new Milwaukee, we have to work together to convince the state that it's time to reinvest the Milwaukee Dividend in Milwaukee.

Despite our strong economic progress, we confront persistent challenges on a daily basis – concentrated poverty, violent crime, aging infrastructure and the nagging problems tied to the foreclosure crisis.

We are all committed to a thriving Milwaukee and, if all Milwaukeeans are to thrive, then we – state and local leaders – must find ways to ensure the state re-establishes the principle of sharing locally generated revenues with local governments. That's the fiscal problem we face.

City government and its employees have already stepped up.

In the past eight years we have reduced the number of city workers, the equivalent of 430 fewer employees, which saves more than \$30 million annually.

But that's not all.

We've changed our approach to employee health care, so our actual health care costs in 2015 were \$42 million less than our actual health care costs in 2011.

Unfortunately, city government has limited revenue options. And, at the same time, we face more headwinds.

Despite the fiscal restraints, City departments and the Common Council continue to adapt and focus on meeting our challenges. I'd like to thank the members of the Common Council for their commitment to keeping our fiscal house in order. Please join me in giving them a round of applause.

And we've made big investments in some of our most pressing problems. Since 2009, the City of Milwaukee has invested nearly \$163 million to tackle the mess left behind by the housing market crash. Of that, \$54 million came directly from property taxes.

These efforts have attracted hundreds of millions of dollars in leveraged investments into Milwaukee's neighborhoods.

Again this year, City government has more than 1,000 foreclosed homes in our inventory. Homes that I don't want. Foreclosed properties are not healthy for our neighborhoods; they're costly to maintain, they attract trouble, and they are expensive to demolish.

We want to get tax-foreclosed homes back into circulation. We want families living in these homes. The City has sold more than five hundred properties – tax foreclosed homes and businesses – in each of the last two years – returning over \$60 million in value to the tax roll. And I know our Treasurer Spencer Coggs likes that. And, a majority of the properties sold are now in the hands of owner occupants.

But I'm proud of more than just the sales. As a large property manager, we're putting city residents to work. Milwaukeeans are maintaining, deconstructing, and renovating our properties. And when we partner with homeowners to improve properties, minority- owned contractors are doing a lot of that work.

We are helping families put down roots; we're building strength in our neighborhoods; and, we're adding value for the entire city. This is possible because new homeowners see their future – and more importantly, their families' future – in Milwaukee's neighborhoods.

We're also standing up to predatory landlords who neglect their obligations to the City, who undermine our neighborhoods and who take advantage of individuals who rent from them. These people hide their identities. They game the legal process and they ignore their basic human obligation to treat people decently. But we're fighting back. We're taking them to court and we will hold them responsible. Thank you to Preston Cole and the Department of Neighborhood Services, and thank you City Attorney Langley and your team for your aggressive approach.

Improving the housing stock and commercial buildings isn't our only challenge in improving the quality of life for our residents.

Fighting crime and violence is a task that requires constant attention, resources and an "all hands on deck" approach. I can tell you the City is doing its part.

Beginning with these past two years, for the first time ever in the City's existence, the budget for the Milwaukee police department exceeded the city's entire property tax levy. Today, our police department budget is \$38 million more than our entire property tax levy.

So as you can see, the City and the taxpayers are clearly committed. Even more committed are the men and women who put their lives on the line every day.

Just two weeks ago at a south side gas station, Milwaukee police officers were shot at while they were attempting to address suspicious activity. Thankfully, they weren't injured.

The incident highlights two very important life-and-death issues: the danger our men and women in uniform face and the availability of guns.

In 2016, Milwaukee Police took 2,419 guns off our streets. That's the third year in a row that more than 2,000 firearms were recovered by Milwaukee Police. Officers Chad Boyack and Anthony Milone as well as many of their colleagues have played active roles in getting crime guns off our streets. Thank you gentlemen for your service, would you please stand? Let's give them a round of applause.

Often time, these weapons wind up in the hands of criminals through straw purchases and many times the buyer is a felon, who as you know under law is prohibited from possessing a firearm. In fact, arrests for felon in possession of a firearm have increased every year since 2010. In 2016, there were 798 such arrests, the highest number in ten years. Clearly the secondary gun market, flooded through straw purchases, and felons in possession are serious problems.

I want to thank State Senators Alberta Darling and Latonya Jonson and State Representatives Joe Sanfelippo and David Bowen for working with Chief Flynn and the City to address these issues. I know David is here.

And here's another challenge. In January of this year, 24 juveniles – 16 years or younger – were charged with operating a vehicle without the owner's permission – car theft. 83% of them had prior arrests dating back to 2014 for the same offense. Four of the individuals were arrested twice during the same month.

The issue of repeat offenders is unacceptable.

Having our officers consistently arrest repeat offenders means three things: it means our officers are doing their jobs; it means arrests are having less of an impact on deterring unlawful behavior; and it means we're spending millions of dollars to keep our neighborhoods safe only to see the same offenders back on the streets reoffending.

Imagine how you would feel if your car were stolen and you later learned that the perpetrator was arrested for the same offense a month earlier?

I believe we are doing young offenders no favors by having them cycle in and out of the criminal justice system. We are doing tax payers no favors and most importantly, we are doing crime victims no favors. We have to find a way to get all of us to deter this behavior.

There has to be real consequences that have an impact on deterring future unlawful behavior. It's hard but we have to do it. I'm not trying to attack anybody, but we all have to do this.

We must protect citizens from being victimized by individuals who are unafraid of being arrested for a second or third time.

My staff and the Milwaukee Police Department are tracking juvenile offender cases so we can make better informed policy decisions. A preliminary review reinforces our belief that a small number of offenders account for a large percentage of total juvenile crime.

And our Office of Violence Prevention has initiated a pilot program offering intensive case management for youth identified as either at risk, repeat offenders, or prolific involvement in serious crime.

And this month, Milwaukee County and the Milwaukee Police Department will begin sharing real time GPS locations of juvenile offenders.

Preventing crime in the first place is key to the safety of our residents and the stability of our neighborhoods. That's why I directed the Office of Violence Prevention to develop and implement a city-wide, community-driven Violence Prevention Plan. I want to thank Common Council President Ashanti Hamilton for his support in launching this effort and for his participation on the Steering Committee. Thank you, Mr. President.

This is a community-based effort and will only succeed if we all remain engaged. I also want to thank Chief Judge Maxine White and District Attorney John Chisolm for your involvement in this as well.

It's important to acknowledge the men and women of the Milwaukee Fire Department.

On February 17th, gun-fire struck Engine House 13 on North 30th Street. Four firefighters were in the house when the bullets came through several windows. Fortunately, no one was injured.

The incident was horrible and terrifying and should be a sobering reminder to everyone that the men and women who save lives often find themselves in unpredictable and volatile situations.

Last year, there were 555 non-fatal shootings. So more than 500 times Milwaukee firefighters and paramedics arrived on scene to tend to the wounded and saved lives.

Milwaukee Firefighter Michael Volz who was in the engine house when shots were fired is here with us this morning. On behalf of the citizens of Milwaukee, I want to thank you and the brave individuals who serve our Fire department. Please stand.

I also want to acknowledge the residents of Sherman Park. The residents of Sherman Park have invested far too much in their neighborhood to have Sherman Park defined by the unrest of last August. History, diversity, culture, and community are all strong in Sherman Park.

The residents are committed, resilient and hopeful. I was there just last week with a family who felt pride and accomplishment in the purchase of their new home.

But the stark images of last summer cannot and should not be ignored.

Among some people in our city, there is distrust of government and law enforcement. There is deep economic and social frustration.

City government can't ignore that, and City government has a role to play in addressing these problems.

Let me be clear. There is never any justification for violence and destruction. At the same time, we can't be dismissive of the real concerns that exist among people in our community. There are people who are hurting, and we have to acknowledge that.

The Police Department is actively engaged in improving community relations, and we're working hard to make sure community stakeholders are included in safety, housing and employment initiatives.

I especially want to thank the pastors, congregations and members of the Milwaukee Police Department's Chaplaincy Program. Dozens of times in the past year, chaplains have stepped up. Perhaps most significantly, they were there in Sherman Park bridging tense disagreements, calming dangerous situations and staying involved for days and weeks as the neighborhood worked to recover.

I'm grateful for partners like BMO Harris Bank who see a future in Sherman Park. Its recent announcement about the investment it will be making in Sherman Park is a testament to the bank's commitment to Milwaukee and to the strength and resiliency of our great Sherman Park neighborhood. Jud Snyder of BMO Harris Bank lead this charge. Thank you, Jud, for your ongoing support of Milwaukee.

Now let's make sure everyone shares the benefits of our new Milwaukee.

That's the goal of our MKE United effort. We have begun creating a shared and inclusive vision for Downtown Milwaukee and its adjacent neighborhoods.

Ellen Gilligan of the Greater Milwaukee Foundation, Alex Molinaroli of Johnson Controls, Julia Taylor of the Greater Milwaukee Committee and Ralph Hollmon are guiding this initiative, and with their leadership, I am confident we will develop a plan that results in equitable growth where everyone shares in Milwaukee's economic progress.

Milwaukee is a City of contrasts. We are home to some of the state's wealthiest people and the largest concentration of the state's poorest residents.

With that, comes great responsibility.

Our health disparities are significant and we are challenged daily with addressing them.

Just weeks ago, we announced the expansion of the Trauma Response Initiative. Our goal is to provide the same attention to emotional wounds as we do to physical wounds – to support healing and break the cycle of violence. I want to thank Alderwoman Coggs for her leadership on this issue.

In our work to reduce domestic violence and sexual assault, we continue to lead coordinated and collaborative efforts. One of our partners, Aurora Health Care, is developing a Rape Crisis Center. This is a major investment for survivors of sexual assault.

In our continued work to break the cycle of domestic violence, we're supporting a Safe Exchange & Visitation Center for children going from one parent to another – the only center of its kind in our area. It is an essential part of the work to prevent children from witnessing abuse.

I'm proud Milwaukee's teen birth rate has dropped 65% since we established a communitywide effort around the issue. Hispanic and African-American teen birth rates have never been lower.

We should be proud of what this means for the future of young women and young men in our city. But our work is nowhere near done. Each year, a new generation of young people enter their teens. I'd like to thank Mary Lou Young and the United Way for their leadership on this very important issue.

Now here's an area we have a lot more work to do. Since 2004, the infant mortality rate has declined in Milwaukee by 17%. That's real progress – but I am nowhere near satisfied, particularly because the racial disparity in infant mortality remains unacceptably high. I will not stand for that in our city. We must aggressively focus on the leading cause of infant death, which is prematurity.

My budgets support our successful home visitation program, and I am co-chairing Milwaukee's Lifecourse Initiative for Healthy Families.

Together with Wanda Montgomery of Children's Hospital, I am leading this coalition whose mission is to eliminate the racial disparity in healthy births. Thank you Wanda for your leadership on this issue as well.

We are not alone. There is no way we are doing this alone. By our side are 24 churches that will serve as Strong Baby Sanctuaries. These are places where pregnant women and new families can be connected to resources and programs.

Today, I have an exciting announcement: twelve of the Strong Baby Sanctuaries will be launching a new program this year called Blanket of Love.

It's a program that one of our inaugural Strong Baby Sanctuary churches, Ebenezer Church of God in Christ, has been running for the past 12 years. Let me tell you about it. During those years, Pastor Saffold and Parish Nurse Julia Means have worked with 360 families. Not a single one of these families has lost an infant. Every child who was born into this program lived to see his or her first birthday. That is the power of community. Pastor and Julia, please stand. You have our deepest appreciation for your efforts.

We will be supporting these churches with a public health nurse who will help implement these programs. We want strong moms, we want strong dads, and a strong community to support our strong babies. I invite all churches here who are involved to please be recognized. Let's give them a round of applause.

Our commitment to decreasing children's exposure to lead is stronger than it's ever been. Lead poisoning in Milwaukee is declining. We're making progress and we'll accomplish even more. We're raising awareness, and I'm confident our progress will continue.

With all the efforts being made to improve outcomes in schools, we want to make sure kids are in a good position to learn and the health community is stepping up. Together with MPS, we have brought on board our top-notch local nursing schools to place nursing students in dozens of our highest need schools.

One of our founding partners, Dean Kelly Dries of Cardinal Strich is here this morning with six of her students. Welcome Dean Dries and thank you for all you have done to launch this important program.

Through Milwaukee Succeeds we are scaling up an approach that works in getting more kids reading at grade level creating a foundation for long-term academic success.

This year Milwaukee Succeeds will expand its program to more schools with a goal of ensuring every child, in every school will be set on a path to academic success.

Now I've said it before and I'll say it again, I love libraries.

They are places to read, learn and connect with our neighbors, and to find resources that enhance early literacy. They assist with school work, provide job training, and much more.

Today I'm announcing a new partnership between the Milwaukee Public Library and Milwaukee Public Schools. LibraryNow will expand the library's reach by providing complete, free digital access to all the library's online resources to every student in the district.

LibraryNow will strengthen the connection between library resources and our city's young residents which will lead to better performance in school and job readiness. Thank you Supt. Driver and Ruth Maegli for your leadership on this new exciting program, and thank you to Paula Kiely as well.

We continue to make progress on improving neighborhood libraries, including construction on the Mitchell Street location which will open this fall. And, our plans for the Mill Road and Martin Luther King branches are well underway.

We should be proud of our return on investments and collectively we must work to ensure those dollars are reinvested in our efforts to improve the lives of all Milwaukeeans.

The \$460 million Milwaukee Dividend is evidence of our economic and cultural strength.

In the end, we will all be defined by our successes and by our challenges.

We will be defined by how we, a city of immigrants, protect, respect, and provide opportunities to the women, men, and children who come here from all over the world. We welcome everyone.

Our parents, our grandparents and our great grandparents came here with the dream of a better life and making Milwaukee their home.

In the end, Milwaukee's story will be determined by the work we do together to build our economy, to strengthen our neighborhoods, and to make Milwaukee a great place to call home.

Let's keep working. Thank you for being here this morning.