City of Port Washington

State of the City

Common Council Meeting

February 7th, 2017
Generally speaking...

- City is changing, progressing – and continues to get “better”!
- Collectively, we are driving change, investment, growth
- Outside perception of City extremely positive
- Resident perception positive, but change can be difficult
- Optimism for future, strong community pride warranted!
  - Success of local business partners
  - Success of strategic relationships and significant community investments (i.e. Harbor Lights, Duluth Trading, Port Exploreum)
  - Success of PWSSD Referendum
  - Success of partner organizations, civic groups, City volunteers – making significant impact through gifts of time and talents
  - Success of city leadership efforts to bring greater outside awareness of City and all it has to offer (i.e. city branding efforts)
Generally speaking...

• Tourism continues to increase in value as part of local economy
  • Mix of City festivals, events offer significant impact
  • Commitment to maritime heritage is defining our community – Port Exploreum, 1860 Light Station, Resource Center, Breakwater Lighthouse, National Marine Sanctuary (and connect to Port Deco Divers), Denis Sullivan
  • Hotel room tax revenue – up 14% year-over-year at month-end September

• Enhanced community walkability, bikability and connectivity
  • Local and more “global” benefits – increased spending in downtown businesses more active community and corresponding (positive) health impacts, etc.

• “People Capital” paying impressive dividends for all of us!
  • Passion for, pride in, commitment to PW is palpable, energizing, contagious

“What a man does for himself dies with him. What he does for his community, lives long after he is gone.” ~ Theodore Roosevelt
Generally speaking...

• **Together, we are actively demonstrating...**
  • Can have balance between economy and environment
  • Can have balance between preservation of historic charm and character and vital development
  • Can confront the reality of challenges we face while rejecting the notion that the current “State of our City” represents the best we can do and the best we can be
    • Acceptance of “Realism” leads to acceptance of mediocrity
    • We must reject that mentality – ours is not an “average” city
    • Our most exceptional moments are yet to come
What we accomplished...

- **2016 was productive year within city – and fiscally disciplined**

- **Departmental accomplishments**
  - Reconstructed/resurfaced over 2 miles of streets; 1,500 lineal feet of concrete alleys; lined over 3 ½ miles of sanitary sewer main; replaced 2 miles of water main
  - Repainted the Thomas Drive Water Tower and added new (official) City trademark
  - Continued outstanding performance of WWTP – 100% Compliance with permit and all “A’s” on Compliance Maintenance Annual Report submitted to DNR in June
  - Worked with the Community Development Authority and the Port Main Street Design Committee on the design of a Marina District Plan that includes parking, pedestrian, and landscaping improvements
  - Welcomed new Library Director and, under his leadership, continued to expand the very successful relationship with City teenagers – in fact, since October, “Teen Café” numbers have doubled and a Teen Advisory Board (TAB) has started and the membership continues to grow. Teen members are very interested and willing to develop ways to give back to our community!
  - Police Department hired three officers that have excelled in our field training program and have become true assets to our Department and community -- reflection of the positive, healthy relationship Department enjoys with our citizens
What we accomplished...

• **Departmental accomplishments (cont.)**
  • Continued our Fire Department's ongoing Fire Prevention Public Education programs, with Port Washington Fire Department personnel engaging over 600 adults and over 1300 children in 2016 and Department's Open House in October the biggest event ever hosted.
  • Implemented an online registration system within Parks & Rec Dept. This fully-hosted, web-based recreation management system helps our Department work more effectively and efficiently with our resources and budget. It also allows us more time to focus on the important things, such as providing more quality programming and enhanced services to our communities.
  • Received the “National Council on Aging” Grant for the Aging Mastery Program Pilots, one of 13 in Wisconsin, with Port Washington serving as the coordinating center for the collaborative venture with Cedarburg and Grafton Senior Centers.
  • Issued permits for the new construction of 35 single family homes, 1 condominium complex (14 units), and 12 multi-family apartment buildings (72 units) for a total of 121 new living units in the City. The 35 new single family homes is the most in one year since 2007. The 121 new living units is the most in one year since 1994.
City Tax Rate History: 2010-2016

- 2010: $6.03
- 2011: $5.78
- 2012: $5.76
- 2013: $5.82
- 2014: $5.80
- 2015: $5.80
- 2016: $6.06
City Tax Rate vs. CPI: 2010-2016

Tax Rate vs. CPI

2010: -0.35%
2011: 3.3%
2012: 1.04%
2013: 2.3%
2014: 1.9%
2015: 2.3%
2016: 4.48%
AVERAGE: 1.9%

Tax Rate vs. CPI

2010: 0.00%
2011: 0.34%
2012: 0.35%
2013: 1.9%
2014: 4.48%
2015: 0.97%
AVERAGE: 0.97%

Blue line: Tax Rate
Orange line: CPI
What we will accomplish...

- Significant work to lead forward in 2017
  - Next phase of Breakwater repair/reconstruction
  - Advancement of partnership with Discovery World Science & Technology Center and the tall ship Denis Sullivan
  - Progress with redevelopment priorities within our Downtown
  - Construction of Cedar Vineyard Development
  - Approval and onset of development of South Bluff Land
  - Progress towards final designation of National Marine Sanctuary
  - Eventual conveyance of north breakwater lighthouse, initial repair work
  - Retention and growth of city business partners
Debt Service

• Aa3 Bond rating is best rating a City our size can attain
• Based upon local economic growth outlook, contingency fund balance, borrowing capacity, and government’s fiscally responsible economic policies
• This translates to REAL impact for our City residents – when we go to market to borrow, greater competition among lenders, which means we can borrow money more cheaply and stretch those dollars more effectively, enjoy better odds of being able to refinance favorably – and our City residents pay less on that borrowing over the long-term
• City has also demonstrated fiscal responsibility and restraint via use of other financial vehicles – TIF District #1 was retired 10 years early
Public Safety

- PW continues to rank annually among the safest communities in Wisconsin in which to reside – and we are investing in more resources to help make the City even safer!
- City of Port Washington residents and property and business owners continue to be some of the safest around when it comes to fire prevention (the estimated dollar loss from structural fires in 2016 was less than $20,000)
- Community-wide investment in Waterfront Safety Initiatives continues to make our lakefront community among the safest in the State and the nation
  - INFOS Port Washington fully funded and ready for expansion to South Beach
  - Preventative education and community engagement, installation of additional safety elements including life rings, life jacket stations
  - Improvements to breakwater surface, Coal Dock Park, etc.
## Safest Places in Wisconsin (2016)

<table>
<thead>
<tr>
<th>Category</th>
<th>Location</th>
<th>Population Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>Mequon</td>
<td>OVER 20K</td>
</tr>
<tr>
<td></td>
<td>Muskego</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fox Valley Metro</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Menomonee Falls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Caledonia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pleasant Prairie</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Franklin</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Waukesha</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Neenah</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stevens Point</td>
<td></td>
</tr>
<tr>
<td>Mid-sized</td>
<td>Hobart-Lawrence</td>
<td>10K - 20K</td>
</tr>
<tr>
<td></td>
<td>Cedarburg</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Waunakee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Port Washington</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Portage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Whitefish Bay</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Town of Menasha</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grafton</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Waupun</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plover</td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td>Oconomowoc Town</td>
<td>5 - 10K</td>
</tr>
<tr>
<td></td>
<td>Freedom</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mukwonago Town</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grand Rapids</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jackson</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kronenwetter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Elm Grove</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sturtevant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Richland Center</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oregon</td>
<td></td>
</tr>
</tbody>
</table>

Data supplied by ValuePenguin
Infrastructure

• City continues to invest in infrastructure in measured, fiscally responsible manner
  • Roads
  • Water and Wastewater
  • Parkland
  • Municipal building needs, improvements
  • Other assets (breakwater, lighthouse, etc.)

• Challenge: continue to fund this necessary investment without overreliance upon borrowing and with ongoing State Aid limitations and inherent constraints upon ability to drive revenue growth locally
  • Extraordinarily competitive funding environment
  • Reality: must effect local economic growth!
Breakwater Repair

• Over course of past three years, we have secured over $3 million in outside funding for our breakwater repair work – and impacted every section of the structure!
  
  • Armor stone placement along the lake side of the north breakwater likely saved sections of the structure from catastrophic failure during 2014 Halloween Storm
  
  • Work on Sections D and D-1 completely transformed the structure in terms of save public access and ensured long-term sustainability of those sections
  
  • Repair and improvements to Sections E and E-1 will likewise transform those sections and improve public access, enhance public safety, add functional space for community use, and ensure ADA compliance
  
  • Sustainable structure is a public safety investment and represents City commitment to provide safe harbor (for boats), marina protection, recreational fishing and boating use, public access to breakwater lighthouse, and enables necessary lakefront development and power generation
  
  • Taxpayer impact has been effectively mitigated
Photo illustrating absence of armor stone along lake side of Sections C, B, and A of north breakwater – and Corps placement of that vital protective stone
Photo illustrating repaired Sections D and D-1
Current condition of South breakwater – total absence of protective armor stone
City Business Partner Success

• Three consecutive years with Ozaukee Economic Development “Large Business of the Year”
  • 2014: Ansay & Associates (Modern Equipment also a Finalist)
  • 2015 Port Washington State Bank
  • 2016: Franklin Energy

• Four City of Port Washington Businesses – Allen-Edmonds, Ansay & Associates, Molded Dimensions, and Port Washington State Bank honored in the Milwaukee Journal-Sentinel’s “Top Workplaces” list (no other community in Ozaukee County has had more than one)

• Significant growth ongoing among many (Kleen Test, ConForms, KMC, Voeller, Cans-to-Go)

• Stability and retention of others (Allen-Edmonds, Manitowoc)

• Main Street continues with low vacancy, growing business mix

• Very positive relationship development!
Downtown Investment

- City has proudly invested millions of dollars in our downtown lakefront over course of past five years – and this doesn’t include significant and impactful private sector and nonprofit investments
  - Coal Dock Park and other parkland (34% now located along lakefront)
  - Breakwater
  - North Beach Public Access Improvement
  - Parking lot, road, and sidewalk improvements
  - Burying of utilities
  - Conversion of alleys to pedestrian walkways
  - Vehicle and pedestrian wayfinding signage
- Relationships with business partners and stakeholder organizations (BID, Main Street, Chamber, Tourism) is strong
- Our downtown lakefront business district is unique in so many ways and positioned well for year-round success, but every City resident must invest and help own the outcome!
Execution on Redevelopment Plan

- Public, transparent, deliberate process completed over course of past three years, inclusive of two parking studies conducted by outside entities and engagement at various times and through various means, with presentation and acceptance of ACTIONABLE redevelopment plan.

- Five identified redevelopment priorities in downtown lakefront business district means city is positioned to realize possible $25 million in valuation increment – we are moving on this already with Harbor Lights, Ansay & Associates, Stephen Perry Smith, Newport Shores, and other property owners.

- With focus on strategic and catalytic new retail; unique, year-round activating experiences; and vital residential, varied in type and price point, we will continue to bring more people into our beautiful downtown to live, work, play, and shop!

- Can be done right, emphasizing maintenance of public access and enhancement of Marina District experience – but MUST be done!
Residential Growth

• City has set forth plan for responsible, smart, necessary growth
• Housing inventory important – as is diversity of housing and price point
• Current and future residential projects take all into consideration
  • Cedar Vineyard
  • South Bluff Land
  • Ansay & Associates (Hwy. 32 and Downtown)
  • Stephen Perry Smith (Downtown)
  • PWSSD-owned property and Schanen Farms (west)
• Opportunities to capture Seniors, millennials, young families, professionals connected to City employers, other core growing demographics
• “Rooftops support Retail” – available consumer spending increases and base of support for City business partners
• Brings energy, vitality, vibrancy into City!
Commitment to Seniors

• City continues its investment in and commitment to Seniors calling our City home
  • investment in physical building – a physical “home”
  • investment in staffing resources
  • investment in programming

• This continued investment in and commitment to our Seniors, current and future generations, means our City of Port Washington is one of only three (3) communities in Ozaukee County that meets the National Council on Aging’s definition of a “Senior Center”

• Direction set forth by our Council provides clarity and certainty and allows for opportunity for Seniors and stakeholders to improve the existing facility to align with functional needs
Commitment to Public Lakefront Access

• City will have six (6) miles of publicly accessible lakefront with the Cedar Vineyards development (from Mile Rock on North Beach to end of public beach area by Cedar Vineyards)

• To provide our City residents and visitors with more, we would have to annex more land

• Beyond provision of new access, we have preserved and improved existing
  - North Beach Public Access Improvement Project = $600,000
  - Coal Dock Park = $2,000,000
  - Breakwater = $3,000,000

• Even proposed Blues Factory development WIDENS public walkway

• For some context...
  - Milwaukee has about 24,000 lineal feet (4.6 miles) of Accessible lakefront from North end of Bradford beach (Linwood Water Filtration Plant) to south end of Summerfest grounds (Marcus Amphitheater)
  - Sheboygan has 12,200 feet (2.3 miles) from North Point Park to King Park on the South
Commitment to Environmental Stewardship

- City Environmental Planning Committee, City leadership and staff actively participating on statewide partnerships resulting in cost-effective planning, energy efficiency support and services
  - Green Tier Legacy Communities
  - Green Infrastructure Code Audit
  - 1000 Friends of Wisconsin
- City leadership continues with active engagement on Great Lakes-related issues
  - NOAA National Marine Sanctuary Designation
  - Lake Michigan Stakeholders
  - Great Lakes & St. Lawrence Cities Initiative
- City Active Community Environments (ACEs) Team, first of its kind in Ozaukee County, continues leading and acting on walkability, bikability, and connectivity issues
  - Collective Budget Impact of all these efforts: $0
Cedar Vineyard

- Substantial but right-sized development
- Envisioned for the former VK Land along Highway C, unique in the residential atmosphere it will offer and tourism interest it will attract
- Outcome of collaboration among several key partners, namely our City, the County, Ozaukee Washington Land Trust, the winemaker, the bank, and developer and landscape architect at the forefront
- Potential to be a very important investment in Port that will ensure public access to the beach via the land, conservation of the most environmentally sensitive areas, enhanced bluff stability, trail connectivity from Lions Den to downtown Port
National Marine Sanctuary

- Nomination package submitted early November
- Initial response from NOAA very positive
- Should we eventually be successful in securing the National Marine Sanctuary, with final word likely coming sometime the next 2-3 years, will mean incredible things for city
- Connectivity with other communities, proximity to Milwaukee and Chicago, state visitor spending
City business success

- Worked hard not just to survive but to thrive, many now in position of growing
- Economic Development Committee outreach efforts over past year have established stronger-than-ever relationships, especially with manufacturing and industrial partners, one of strongest providers of jobs and sustainers of wage growth and standard-of-living metrics in any community
- Celebrated four businesses named to the Milwaukee Journal-Sentinel’s “Top Workplaces” – Allen-Edmonds, Ansay & Associates, Molded Dimensions, PWSB
- Celebrated Ansay & Associates as the “Large Business of the Year” in Ozaukee County – and Modern Equipment as a finalist
- Franklin Energy, KMC, Construction Forms, Kleen Test and others who call Port home are making significant investments in themselves, their employees, and city – and their substantial, ongoing investment in our community is difference-making
Challenges remain...

- Businesses struggling with talent acquisition, retention
  - Supply of workforce with necessary skill sets is ever-present concern
  - Partnerships are key, including with educational institutions
- Infrastructure, both owned in letter and spirit of law
  - Breakwaters
  - Roads
- Capital needs
  - Increased funding in years to come will be required
  - Highlights need to grow city tax base, revenues
Fiscal responsibility is always paramount but so is provision of high level of services

“We’ve managed to accomplish so much – and position ourselves for even more success in 2017 – while being diligent and responsible stewards of taxpayer dollars. We can and should all be incredibly proud of the high level of services, both in terms of quality and scope, we provide our City residents, and at a very affordable price. A simple examination of 2016 municipality tax rates in Wisconsin will attest to just that; of the 1856 municipalities (cities, towns, and villages) in our state, our City of Port Washington is among the lowest 25% in terms of total tax rate. In other words, about 75% of the communities in our State of Wisconsin assess their residents at a higher tax rate than us.”

Economic development is not a choice but a very real necessity

“Our city must embrace this reality – continued economic growth and development is not a choice, it is a necessity. And, that continued economic growth and development is not a ‘sometimes cause’ – it must be a part of our focus all the time here in the City we love each and every day. If we do not collectively explore the opportunities before us to partner with those who seek to partner and invest in those who wish to invest in us, then we will fail the generations of Port Washington residents to come. If we do not collectively fight to keep here all the businesses already calling Port home and fight to attract new businesses looking for a new place to establish its roots, then we will fail the generations of Port Washington residents to come.”

Change will not be perfect or painless, but we must welcome and lead it forward

“I believe we can continue with necessary progress and change in a responsible, smart, strategic manner that still makes clear our core principles hold strong – fiscal responsibility, sustainability of our environmental commitment, and advancement of affordable quality of life. At times we will disagree respectfully and civilly on how best to accomplish that progress and change, but we must unify behind the need for progress and change if we are to truly ensure for future generations the kind of City of Port Washington we all deserve.”
Questions?