



**State of the County Address
Milwaukee County Executive Scott Walker
Monday, February 16, 2009**

Blueprint for Economic Prosperity

Just last year, we helped Tim Sullivan and his Bucyrus International team celebrate the opening of their plant expansion. Over three and a half years, they added 500,000 square feet of workspace and nearly doubled their employee base to 1,400.

I remember coming to visit Tim at his office over on Milwaukee Avenue and talking about his ambitious plan to keep the plant and the jobs here in Milwaukee County.

I remember the push that his board gave to consider moving to another site. And I remember talking about others in the industry moving more and more of their jobs overseas.

Tim Sullivan, however, was committed to South Milwaukee, to Milwaukee County and to Wisconsin. Today, Bucyrus is a success story at a time when we need plenty of success stories.

Thank you Tim for hosting our 2009 State of the County address. Your success is an inspiration to all of us.

I also want to thank South Milwaukee Mayor Tom Zepecki and the Common Council for their leadership and hard work in making Bucyrus a success story.

It is good to have businesses like Bucyrus at a time when our county, state and country face such an economic crisis. Lately, we hear too many stories of job reductions and revenue adjustments.

In just a few moments, I am going to outline our comprehensive plan to get people working again in our county. We want to stimulate the economy with our Blueprint for Economic Prosperity.

But first, I want to share with you a few successes that Milwaukee County had during the past year:

- Our airport achieved another passenger record;
- The zoo opened a new entrance and received a gift for a major new exhibit;
- The Domes reopened and Bradford Beach came back to life;

- We broke ground for the David F. Schulz Aquatic Center at Lincoln Park;
- Our Sheriff created a specially-trained OWI Task Force to target, detect and arrest drunk drivers, making 67% more arrests over the previous year;
- Our EMS system continued to be one of the best in the country;
- Our Family Care program served more older adults;
- We expanded transit options for people with disabilities; and
- We ran Operation Freedom at the zoo again for our veterans, military personnel and their families.

These are just a few of our successes.

Along the way, we also benefited from the long-term decisions we made over the past few years that helped us adapt to the national financial meltdown:

- While the state government has seen their debt go up since 2002, we reduced our debt by 10%.
- While the Governor talked about cutting 10,000 jobs over eight years but is nowhere close to that goal, we reduced our workforce by 24%.
- While the state raided segregated funds for transportation and patient compensation, we worked with the private sector to create funding partnerships.
- While the state government saw its bond-rating go down since 2002, the county's bond rating improved in recognition of our efforts to address our fiscal issues.

While the state faces a \$5.75 billion budget deficit, we finished 2007 with a \$7.9 million surplus and are looking to break even for 2008. Unfortunately, the state budget situation is likely to have a negative impact on county government in 2009 and beyond.

Even more serious than the impact of the state budget is the impact of the series of announcements from local employers about job cuts and reductions. This is a major challenge to our well being in Milwaukee County and across Wisconsin.

Individuals and companies who are hurting today cannot wait for help in six months, a year, or several years down the road. We need action now.

This is why I am fighting for a **true** economic stimulus package.

In 1993, then-President Bill Clinton submitted a stimulus package of sixteen billion dollars. This month, the House and Senate passed bills costing nearly eight hundred billion dollars. There is enough spending in this legislation to give every man, woman and child in America nearly three thousand dollars.

Proponents of the plan claim that it will create or save some 3 – 4 million jobs. Do the math; this means the government will spend more than two hundred thousand dollars per job. How does that make any sense?

The better solution is for the federal government to put this money directly into the economy through tax cuts. This is what President John F. Kennedy called for in the 1960s and it is what President Ronald Reagan pushed for in the 1980s. After President Reagan's tax cuts, America had the largest peacetime economic boom in history. During that time, 20 million jobs and 5 million businesses were created. History shows that tax cuts lead to prosperity.

While politicians in Washington and Madison debate how to spend more on pork barrel projects and bail outs for fiscally irresponsible state and local governments, we have a plan to use these funds to truly get people working again.

Today, I announce our ***Blueprint for Economic Prosperity***. This comprehensive plan calls for immediate action to improve our local economy and to put people back to work.

First, I propose to make **it easier for people to afford a home or business in Milwaukee County**. Last month, the Chairman of the County Board submitted a wish list of projects worth \$512 million. Instead of spending more money, I propose that we put these funds directly into the economy.

Specifically, I call on the Governor and the State Legislature to allow us to stimulate Milwaukee County's economy by taking that same \$512 million and provide the following tax cuts:

- Suspend the county sales tax as of March 1st. This will save taxpayers \$56.2 million and will give consumers another reason to shop in our county. It will also help small businesses – like builders, auto dealers, merchants and others.
- Rebate the county property tax levy bill for 2009. This will save taxpayers \$258 million. For the owner of a \$150,000 home in the City of Milwaukee, that translates into a savings of \$652. For the owner of a small business with a property worth \$230,000, it means a savings of \$1,000.
- Create a JOBS Fund worth \$150 million that can help retain jobs and attract new jobs. The fund will target job creation at small and mid-sized businesses.
- Create an Innovations Fund worth \$100 million that will focus on businesses that create jobs in our county related to new innovations. The fund would be created from a portion of the proceeds from a long-term lease of airport operations.
- Double the Work Opportunity Tax Credit to create 10,000 jobs right here in Milwaukee County. We apply \$47.8 million to double the amount of funding available to employers as incentives for adult new hires, summer youth hires, disabled veteran hires and long-term Temporary Assistance for Needy Families (TANF) recipient hires.

In addition, I propose that the Governor and State Legislature take the nearly \$4 billion that the State of Wisconsin will be eligible for under the so-called stimulus package and apply it to the quickest method to improve the economy: tax cuts.

Specifically, I call on the Governor and State Legislature to suspend the collection of the state sales and use tax as of March 1 for the remainder of this year. The average Wisconsin household spends nearly \$3,000 per year on the sales tax. Our plan will save Wisconsin taxpayers \$3.26 billion in 2009.

This bold move would provide immediate incentive to put money back into the marketplace. Imagine the impact on builders, auto, truck and motorcycle dealers, retailers and all others who are hurting under this economy.

Aggressive tax cuts will put more money into the hands of consumers to stimulate the economy and into the hands of employers who can create more jobs.

For a home builder like Craig Rakowski of Wauwatosa, our plan will directly save about \$5,000 in taxes on the materials for building a \$250,000 home, and will have the added impact of encouraging more people to build and remodel homes in our area.

Or for someone like Roger Kriete who owns the Mack Truck dealership in Milwaukee, ending the sales tax will save his customers \$8,560 on an average \$160,000 dump truck. That will be a clear incentive for them to buy now.

I also want to thank business groups like the Greater Milwaukee Association of REALTORS®, Metropolitan Milwaukee Association of Commerce and the Independent Business Association of Wisconsin who are represented here today. They understand that the quickest way to stimulate the economy is to put more money into the hands of consumers and employers.

Next, we need to **increase the odds of finding and keeping a job.**

One specific way to immediately stimulate the economy is to approve our plan to move the mental health complex to the site of the former St. Michael Hospital. Our plan will provide a state-of-the-art facility for a lower cost; it is shovel ready and will spur economic development and job creation.

Conversely, the county board's proposal to seek \$92 million in stimulus funding to build a new mental health facility does not meet the definition of "shovel ready" since it would be 12 – 18 months before a shovel would actually hit the ground. On top of that, the real cost of building new is closer to \$117 million because the plan submitted to the Governor does not include parking, infrastructure or site preparation costs.

The better approach is to move forward with our proposal. On top of truly being "shovel ready," it opens the door to the county selling and making the way for development on the land where the current mental health complex sits.

This land is a prime location for further development and expansion of the Milwaukee Regional Medical Center, which is one of our largest job centers. In addition to the proceeds the County would receive from the sale of this land, the further expansion of the Regional Medical Center would provide opportunities for economic development and job creation for the entire region.

And we cannot ignore the stabilizing impact a major County facility located at the former St. Michael Hospital site will have on the surrounding neighborhood. St. Joseph's Hospital provides a good example of how a medical facility can boost a local neighborhood's economy by providing jobs for local residents and creating demand for services ranging from retail, restaurants, housing and office space.

Without our investment in this neighborhood, it is likely the St. Michael's facility will sit empty and actually detract from the local economy of the surrounding neighborhood. Moving the mental health complex to the St. Michael's site would create a true economic stimulus for this neighborhood.

Today, I call on the members of the County Board to stimulate the economy by acting to move the mental health complex to the former St. Michael Hospital site and to sell the existing site for development at the regional medical complex.

Building a new School of Engineering for the University of Wisconsin – Milwaukee on the County Grounds is another project that will truly help stimulate the economy. We negotiated a reasonable price for the land and now, we need to approve the deal and let UWM get on with their work.

Today, I call on members of the County Board to take up and pass the proposal to provide the land for a new UWM School of Engineering.

I want to thank David Gilbert from UWM and Chancellor Carlos Santiago for their perseverance with this incredible project. Their vision will help build our economy for generations to come.

And there are plenty of other areas of county property that can spur economic development. From land at 6th and State to 68th and State, to land around the House of Correction; we have plenty of opportunities to act on in 2009. As these opportunities are realized, I call for swift action by the County Board.

One of the biggest and most visible tracts of land that is ripe for development is the Park East Corridor. To jump start work on this area, I propose selling all of the Park East county land to the City of Milwaukee.

We have a plan for success. The county should sell the land to the city for market value and repeal the so-called community benefits from years ago. City officials have the tools necessary for a large-scale project and they need the flexibility to attract a wide range of interests.

Today, I call on the members of the County Board to approve our plan to stimulate the economy by selling the Park East land to the Milwaukee Department of City Development and to repeal the so-called community benefits ordinance.

Next, we propose new ways to **connect people to jobs**.

We propose the continued growth of General Mitchell International Airport. Mitchell is an economic engine for the region and it continues to set the pace for passenger growth. We want it to be the most convenient airport in the midwest. Since the airport is our front door to the business traveler, we will continue our plans to remodel and enhance the facility.

Also, we advocate the pursuit of a long-term lease option for the airport. Mayor Daley in Chicago received a winning bid of \$2.5 billion for Midway last September. We want to prepare a similar process, but we need the approval of the County Board.

For more than two years, we have looked into this process, yet some have asked, “what’s the rush?” Simply put, we don’t want to lose our chance.

The Federal Aviation Administration (FAA) has a pilot program authorizing the long-term lease of airports to private entities. This pilot program allows for only five slots. One slot has already been used by Midway Airport; one slot is reserved for small general aviation airports, leaving only three slots that Mitchell International Airport is eligible for.

The New Orleans City Council recently voted to apply for one of the remaining three slots, and recent reports indicate that Minneapolis, Oakland, Long Beach and Jacksonville, Florida may seek the remaining slots. If we are serious about finding an alternative funding source for our transit system and about addressing our structural pension issues, we must act now and (at a minimum) allocate the funds required to prepare an application for consideration by the FAA.

As I have in the past, I envision the proceeds from such a long-term lease going first to pay off all outstanding debt for airport related projects, and then using most of the rest as a long-term funding stream for our bus transit system. As mentioned earlier, I would also use \$100 million from the proceeds to establish the Innovations Fund.

Last week, I met with all of the major airlines at our airport. Now, it is time for the county to act.

Today, I call on the members of the County Board to approve funding to submit a preliminary application to the FAA for the program.

In April, we will submit our application to the federal government for a Very Small Starts grant to create a Bus Rapid Transit (BRT) line from the northwest, down Fond du Lac Avenue to downtown Milwaukee and then back down National Avenue to State Fair Park and West Allis. The County Board approved funding for this request in the 2009 budget.

With a stable funding source for operations and with the use of these federal funds to upgrade the current fleet, we will stabilize and improve the transit system. In turn, this will make the bus system easier for current riders and more attractive to future riders who can use the system to get to and from work.

A week ago, we announced a new partnership on transit with the City of Waukesha and Waukesha County. Once approved by each of our governing bodies, we will no longer have additional transfer fees for bus trips that go beyond county lines. We will help Waukesha County advance van pools. And we will prepare to purchase a new fare box system that will be the same in both counties.

Today, I want to thank Supervisor Michael Mayo for his willingness to take up this issue before his committee, and I call on the other members of the County Board to approve these enhancements to our transit system.

I also want to thank Waukesha Mayor Larry Nelson and Waukesha County Executive Dan Vrakas for their leadership on this issue. We hope this level of cooperation will expand throughout the region.

Next, we need to **increase jobs for those in need.**

Last October, Milwaukee County completed the State's process and submitted our application for Family Care Expansion to ensure that people with developmental and physical disabilities are served. Based on the State's timeline, the expected implementation was to be the first quarter of this year.

To date, the State has not committed to a start date while we have over 2,700 people on waiting lists for service. This is a proven, cost effective program for those over the age of 60 and we need swift action from the State to ensure that people with developmental and physical disabilities under the age of 60 receive the services they deserve as soon as possible.

Today, I call on the Governor to keep his commitment to people with developmental and physical disabilities, and without continued delay, approve the expansion of Family Care for these individuals in Milwaukee County.

Finally, we need to streamline and reform government to be able to build an environment for job growth in Milwaukee County.

As the private sector is downsizing workforces and taking steps to control costs just to stay in business, the County too must adopt reforms to fundamentally change the way we conduct our business. To put more of our resources into services to the public instead of benefits to employees, we need to change state law to be more like the private sector.

Today, I call on the Governor and members of the State Legislature to reform collective bargaining laws to reflect current economic conditions and local government's ability to pay. Local governments need relief from the state so we can control employee wage and benefit costs.

During the next year, I will continue to advance proposals to reform county government to make it more effective and efficient. As I have said many times before, the premise that government must either cut services or raise taxes to live within its means is a false choice grounded in status quo thinking. In today's economy, it has become even more imperative that we adapt to changing conditions and find ways to continue to provide core services without raising taxes.

We need to take aggressive steps now to put money into the hands of our citizens and the businesses that create jobs – this will stimulate economic activity and save jobs. Raising taxes of any kind will result in more job loss, more business closures and more reliance on government services.

Overall, we are ready to rebuild this county, this state and this country. Our **Blueprint for Economic Prosperity** will lead to real job growth. Today, I call on each of you to help us enact this aggressive plan.

Many of the projects we identify are “shovel ready.” I have a shovel here to show that I am ready to build a better community. Behind me are 19 shovels that represent our interest in working with the 19 members of the County Board to build a better community.

I have hope for the future, and hope is great, but hope without a plan is just a dream. We have a plan to make the dream of economic prosperity a reality. During times like these, people really do need hope, but people also need to know that there is a real plan to help them get back on their feet again.

We have such a plan in our Blueprint for Economic Prosperity. I am optimistic about our future but it will require swift action from me, the County Board, the Governor, the Legislature and all of us working together to make this plan a reality.