

City of Mishawaka 2015 State of the City Address

“Mishawaka Strong”

Mayor David A. Wood

Introduction

About this time every year, we pause, look back over the previous year and take measure of the progress, the trends and the issues impacting the Princess City, her government and her people. Most years, we quietly move forward, complete many projects and make many decisions that in and of themselves seem inconsequential but when added together, are impressive, especially when the size of our city government is taken into account. Frankly, I'm always amazed at what is accomplished year after year. But we are not here to mark time; we are here to make a difference. This past year we made a difference. As we take stock of 2014, it felt like a year that we took on a lot... and we accomplished a lot.

While it seems we do more and more in the City, in my tenure as Mayor, I have continually strived to make my report on the State of the City more relevant and easily consumed by our citizens. Although I personally love to read the hundreds of pages prepared by our Department Heads, I understand that very few people actually spend the time to read the whole document. We live in a society where most information is digested in a matter of seconds or minutes through a smartphone rather than reading what amounts to a year-by-year dissertation on the City. To this end, I have intentionally tried to reduce my executive summary when compared to previous years. This summary is officially 2% smaller than last year's! We will file that one under "small steps are important".

The theme I have chosen for this year's State of the City Address is "Mishawaka Strong". Believe it or not, as Mayor of the Princess City, some have accused me of laying it on thick when I talk about the City! Of course, as Mayor, I can tell you, that simply isn't possible.

The word "strong" has a multitude of meanings. It is not my intent to proclaim Mishawaka as powerful or a force to be reckoned with. In my opinion, strong is the adjective that best summarizes the intent behind our continued actions, decisions, and successes. Fundamentally, we are a well-built City. We are solid and continue to work to protect ourselves from outside influences.

- *Mishawaka is strong because we are fiscally responsible.*
- *Mishawaka is strong because it is safe.*
- *Mishawaka is strong because we create and maintain an environment that promotes business and job growth.*
- *Mishawaka is strong because of our continual strategic investments in public infrastructure.*
- *Mishawaka is strong because we strive to provide world-class service to our citizens.*
- *Mishawaka is strong because we have strong, cohesive neighborhoods.*

The State of Our City

Time brings all things to pass. As we come to the close of the Great Recession, we have weathered the storm better than most. In 2015, we are now poised for growth and will continue to strive to be the most livable, competitive city in Northern Indiana. I envision a growing Mishawaka with opportunity for all.

In retrospect, from a City government perspective, 2014 was another productive year. It was a year where, as a City, we continued to build upon and followed through on established decisions and priorities. Within Mishawaka's government we continue to have a wealth of experience and leadership as well as a profound understanding of our City that helps us manage our resources well. We have elected and appointed officials who are committed to our great City. Most importantly our workforce is dedicated, engaged, and have a pride of ownership in what they do. At this time, I want to acknowledge the retirement of two longstanding City Department Heads, Bonnie Bonham, our former Human Resources Director, and Tim Erickson, the former Head of Mishawaka Utilities Electric Division. Mishawaka is a better place because of their dedication and leadership.

I am pleased to report that for another year Mishawaka continues to build a community that our future generations can be proud of and one that is an attractive environment in which to live, work, raise a family and retire. I am also pleased to report that the current state of our City government continues to be fiscally stable, lean, and efficient.

In 2014, Mishawaka's government continued to serve as an excellent example of civility, professionalism and cooperation. We continue to make strides to increasingly perform our duties in a bipartisan manner, putting the citizens of the City first, just as it should be. I want to acknowledge the significant roles the Mishawaka Common Council and City Clerk play in our City. For your past and continued efforts, I thank you.

Working with the Common Council in 2014, Mishawaka passed another balanced budget for 2015 that provides investment in public safety, streets, and parks, while including modest cost of living increases for our employees. Budgets are about making choices and setting priorities. Mishawaka's success continues to be based on being fiscally conservative, and not incurring long-term legacy costs that could jeopardize our stability in times of uncertainty.

With further revenue reductions looming in 2019, we must prepare now and continue to seek the most **efficient** government possible. Over the past four years we have reduced staff while also improving services. We have all heard the oft-quoted phrase "*do more with less*". Indeed, that's a way of life for most businesses, governments and families. *We know how to do that well*. **But our new goal will be to "do less with less"**. That means we will rely on data and technology like never before to pinpoint efficiencies, streamline services and solve problems in new ways. For example, the use of GPS and route optimizing software in our plow trucks will make it possible to plow roads in less time, using less fuel and with less manpower. Hence, doing less with less. This will be our mantra going forward and we will apply similar strategies to all departments. **We will leave no stone unturned in our efforts to become more efficient and optimize our services.**

To convey the highlights of the State of our City I have chosen a variety of significant events or projects to report. Each topic listed below, is not only a summary of information, they are each an embodiment of Mishawaka's strengths.

FINANCES

General Obligation Bond – Debt-Free

For the first time in over 100 years, the City of Mishawaka is debt-free! The Princess City begins 2015 with no general obligation bond [GOB] debt after making our final payments in late December of 2014. GOB debt is particularly important because it is paid back with property tax revenue. We paid off our latest bonds (originally issued between 2005 and 2007) for \$12.3 million to finance various projects such as the City's radio communication system and major park improvements.

It was estimated that Detroit's downfall was the result of over a half-century of shortsighted decisions and unfortunate circumstances. Their decline started long ago and was perpetuated over time. In contrast, Mishawaka is growing stronger, and we need to continue to make decisions to ensure our strength into the future.

I believe that being debt-free is itself a calculated investment that will place the City in a favorable position not only to support our existing families and businesses, but will be an obvious indicator of our fiscal health for prospective investors. As the economy improves, Mishawaka continues to be well-positioned to take advantage of our financial position and build our future on our past successes.

City Assessed Valuation Up For First Time Since 2007

In 2007 the City's assessed valuation reached a peak of \$1.750 billion. Since then, as part of the Great Recession, the Princess City has weathered an overall 25.6% decrease in assessed valuation. In comparison, South Bend's assessed valuation dropped 28.3% and St. Joseph County's dropped 26.0%.

This coupled with the Circuit Breaker caps have caused the City, schools and other taxing units to provide services to our citizens with less property tax revenue, looking to cut programs or find other funding sources.

As property tax valuations decrease, tax rates increase. The Circuit Breaker law caps the property tax revenue at 1 ½, 2 ½, and 3 ½% for residential, rental, and business owners respectively. Since property owners pay less, it means there is less revenue for the City to provide essential services.

In 2015, the City's AV increased 5.28% from \$1.303 billion to \$1.372 billion. While 5.28% may not seem like much, it halts the downward trend and will potentially allow the City to build up a portion of our cash reserves that have been eroded over the past seven years. Cash reserves are

important to have for emergencies and long-term planning. This increase is also important considering the full impact of the tax caps that will reduce funding again in 2019.

General Fund Balance/Cash Reserves			
2011	2012	2013	2014
\$5,753,036	\$8,067,200	\$4,393,024	\$2,076,726

This 74% reduction in cash reserves over the last two years is the single largest indicator why the City needs to be so vigilant regarding our budget, and to better manage costs wherever possible. Unforeseen health care costs were the largest contributing factor to these reductions.

Health Care Costs – New City Health Clinic in 2015

After four consecutive years of health insurance increases totaling 50.5% the City changed our insurance and once again became self-insured in 2014. This move left the employee’s payments and benefits unchanged and resulted in a savings of \$1.9 million dollars or a 16.9% reduction from the previous year. I can’t overstate the significance of these savings given our declining revenues in other areas. Rising insurance costs and employee wellness are two factors that significantly impact the City’s financial health. We continue to monitor both, and look for ways to reduce costs while providing affordable health care for our employees.

One of the ways we hope to control costs is the launch of an employee health and wellness clinic in 2015. Scheduled to open in June in the former Mishawaka EMS Building at 333 East Mishawaka Avenue, the City is excited about this added benefit to employees and their family members (ages 3 and above) who are covered by employee health insurance. Employees will be able to schedule appointments conveniently during clinic hours, even when coinciding with the employee’s work shift. Appointments with the clinic’s providers (eventually expected to include a medical doctor and two nurse practitioners) will require no co-pay. The clinic will also be able to prescribe and dispense some basic medications directly to patients at no charge.

In addition, as a self-insured entity, the City expects to realize savings in its health care costs, part of the City’s ongoing efforts to keep employee health premiums relatively low. The clinic will provide services at a lower cost and should keep employees healthier to reduce the number of claims. As another potential cost savings, the City has also had discussions with other area employers to partner with, which would also help defray the operating costs of the clinic.



Former EMS Fire Station #5, 333 East Mishawaka Avenue

PUBLIC SAFETY

Overall Crime Rate Down by 10%

As Mayor, one of the accomplishments that I am most proud of is the fact that overall crime reporting numbers have decreased consistently in my tenure, including 2014. Although there are many factors that can contribute to this, the most impressive factor contributing to this is the everyday work and accomplishments of our Mishawaka Police Department. Our Police Department has always had a plain, old-fashioned hard work ethic. What is different now is that we are working smarter.

In 2014 the Mishawaka Police Department added a Riverwalk beat. This new beat has been highly successful with a mixture of uniform and street crimes officers patrolling both the Riverwalk and Downtown areas. The use of the all-terrain vehicle has made a positive impact on deterring crime by enabling officers to quickly respond to calls for service within the boundaries of the parks and Riverwalk. The midnight, weekend bar patrols have proven to be effective by reducing loitering and littering in the downtown corridor. We have also noticed a decrease in many of the unruly and disorderly calls that we would normally get in the summer months. The Department has purchased software called "LEADS on Line". This software is new and enables our department to track stolen merchandise from thefts or burglaries nationwide through the internet. The Police department will be notified at any time that a stolen item is pawned throughout the Country. The stolen hit confirmation will give the location and name of the person pawning the stolen merchandise.

The Mishawaka Police Department continues to do an outstanding job evolving along with the ever changing technologies and criminal mindset of today's world. Our drop in the crime rate is even more impressive when you think of our City's continued expansion and the constant influx of daily visitors to the largest retail shopping area in the region. Of the significant crimes tracked,

even though there were small increases in certain categories, the overall the number of crimes per year **dropped by 373 instances**. This represents a significant 10% decrease in crime from the previous year. Thankfully, we also have not had a murder in the City over the past two years.

Uniform Crime Report				
Offenses	2013	2014	Change	% Change
Homicide	0	0	0	0
Rape	20	24	4	20%
Robbery	61	40	-21	-34%
Assault	895	898	3	1%
Burglary	305	244	-61	-20%
Larceny	2259	1983	-276	-12%
Auto	140	125	-15	-11%
Arson	12	5	-7	-58%
Totals	3692	3319	-373	-10%

Consolidated Dispatch PSAP

Public Safety is a top priority of mine. We devote a lot of time and City resources to make sure that we can provide the best police, fire and EMS services possible. To that end, one project that has occupied a significant amount of my time over the past year and a half is the St. Joseph County PSAP Consolidation Project. PSAP, or Public Safety Access Points (more commonly known as 9-1-1 communication centers) are mission critical facilities, vital to the public safety of any community. A few years ago the State mandated that all counties consolidate their emergency dispatch centers to one or two locations by January 1, 2015 or they would lose State 9-1-1 funding. St. Joseph County receives roughly \$2 million in State 9-1-1 funding annually and I am pleased to report that the consolidation took place and became effective on January 1, 2015.

The original work group included 65 participants from the various agencies, including 10 sub-committees. Altogether, there were over 100 meetings on the subject. In the end, we completed what we set out to accomplish, creating a single command structure, introduced new technology with a common platform for all communities, created common standard operating procedures, more efficient staffing and better communication between agencies.

It was decided that one PSAP center countywide was most economical and optimal to achieve our goals. Each unit came up with a list of possible sites. After much analysis, a Mishawaka site on Downey Avenue near the southwest corner of the intersection of Capital Avenue and 12th Street, was chosen. Plans were developed to consolidate all four PSAP centers into two temporary centers by the end of 2014 while the new center was constructed. Once the new center is complete (third quarter, 2015), both the temporary centers will relocate to this Downey Avenue location. The South Bend Police Station will serve as a dark back-up site.

I think it is important to note that before construction could begin, the building and technology plans, operations plans, financial model and cost allocation had to be approved in the form of an Inter-local Agreement by the Councils of each of the governing units. Of the 27 council members in Mishawaka, South Bend and St. Joseph County, only two voted against. That was a resounding message of confidence in the process. The Mishawaka Council led the way as they were first to unanimously approve the agreement. Following the agreement's passage, I worked with the Indiana Department of Transportation (INDOT) to secure the 8-acre site along Capital Ave (a residual property from the INDOT Capital Ave. construction). We received the plot free of charge. Construction began on the Capital Ave. site just south of Twelfth St. in September. The consortium also hired an Executive Director to lead the Center.

Also, I had the additional goal of improving service while trying to save the City of Mishawaka money.

The Center is now under construction as a County facility costing roughly \$9 million to build and roughly \$6 million annually to operate. The cost to build and operate the center will be shared by St. Joseph County, the City of South Bend, and the City of Mishawaka using a formula based on each community's property values and call volume. Mishawaka's share of the project amounts to about 17% of the overall costs. Mishawaka will pay St. Joseph County roughly \$736,000 annually for operation of the center and another \$124,000 annually for debt service on the construction and technology for the life of the bond. In 2014 Mishawaka paid roughly \$1.2 million to operate its own PSAP center. In total, this represents a savings to the City of Mishawaka of over \$300,000 a year. The bottom line is that this collaborative effort will result in a new 9-1-1 center that will improve service, efficiency, cooperation, and communication between all local public safety departments, comply with State law and save our City and citizens money.



PSAP Facility under construction, February 2015

Mishawaka Fire: Advanced Capability in EMS

In 2014 the City of Mishawaka Fire & EMS Department was able to further our capabilities in responding to and treating critically ill or injured citizens and visitors of the City of Mishawaka. We took advantage of a state mandated change in the certification of Advanced Emergency Medical Technicians. This mandate eliminated a previous certification level and elevated it to a more advanced level that now allows these providers to administer certain lifesaving medications, perform critical and time sensitive 12-lead ECG's, perform invasive procedures to administer these medications and deliver defibrillation with manual defibrillators.

In order to utilize the abilities of these providers we developed a program where all ambulances and fire engines would be equipped with the same 1st line medications and equipment. We now have our "STATPACK" program in place. This is a highly specialized backpack that stores all of the equipment needed by these Advanced EMT's and even our Paramedics during the critical first minutes of a live saving resuscitation.



Image of a standard STATPACK

These advances in both the level of certification and the equipment will allow us to deploy these highly trained providers and equipment in any medical emergency where time is of the essence.

UTILITIES

Consent Decree Signed – Impact of Long-Term Control Improvements

In May of 2014, after almost 10 years of negotiation, the City finalized a Consent Decree with US EPA requiring the City to construct improvements to our sewer system. As a result, the City is now implementing a Combined Sewer Overflow Long-Term Control Plan (CSO LTCP) to reduce the amount of combined sewage that is discharged to the Saint Joseph River during excessive rain events and snow melts.

Although the Decree was finalized last spring, Mishawaka has been aggressively eliminating CSO overflows since the early 1990s. In 2014 the City completed major components of the CSO LTCP program that were started before the decree was finalized. The projects included the sewer separation, rehabilitation, and pumping station improvements in the Milburn Boulevard/River Avenue area and the installation of a new interceptor sewer adjacent to Wilson Boulevard and the Saint Joseph River. These projects were key components of the City's aggressive CSO LTCP program targeted at reducing the discharge of combined sewage to the St. Joseph River during heavy rains.

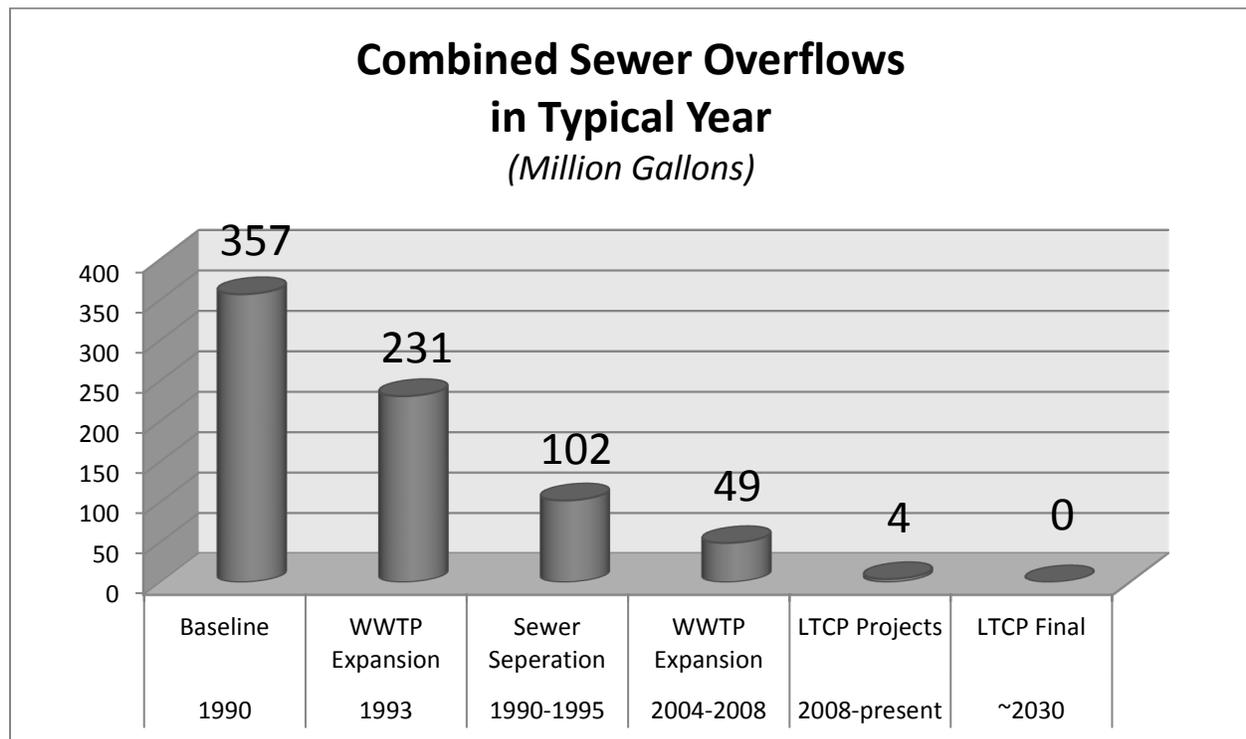
At the onset of the CSO LTCP planning process the City developed a computer model of the sewer system. This model was originally developed in 1995 and simulates flows in the sewer system during rainfall events. Last year the City converted this model to the most recent version

of the modeling software to preserve the use of this valuable tool. During the period of April through September the City also installed 19 flow monitors in the sewer system and rain gauges in order to evaluate the performance of the system during wet weather, quantify the effects of recently completed projects, and to refine the capacity and design requirements for the components of the CSO LTCP that are required to be constructed in the coming years.

This flow and rainfall data was then used to refine the City’s sewer model. The updated (2014) model confirmed the success of the recently completed projects in the Milburn and Wilson Boulevard areas where the volume of combined sewer overflow has been effectively eliminated during the typical year as a result of these projects. Additionally, the model update included expanded detail of the sewer system characteristics that allowed the further refinement of how the sewer system responds in terms of flow during periods of extreme wet weather.

As a result of the LTCP improvements completed to date and the expanded sewer system, the updated model estimates that about 4 million gallons of combined sewage would be discharged to the St. Joseph River during a typical year. **This is a reduction of greater than 90% from the 49 million gallons per year of overflow estimated to have occurred prior to the completion of CSO LTCP projects since 2008.** Also, the model predicts that under current conditions, only 9 of Mishawaka’s 21 remaining combined sewer overflow points discharge in a typical year.

The key result of the update to the sewer system model is that future CSO control projects will be appropriately sized to control the updated estimated volume of wet weather flow to achieve the City’s goal of zero overflows in years with typical rainfall. This supports the City’s goal from the outset of the CSO LTCP planning process of being good stewards, to both the environment and ratepayers and taxpayers of Mishawaka.



Water Needs Assessment – Planning For Future Growth

As Mishawaka Utilities Water Division's system grows we need to assess the current infrastructure along with needs for the future. In 2014 we began conducting a new Needs Assessment with our partnering engineer DLZ. This assessment which will be completed in early 2015 will be a comprehensive look at our needs over the next 20 years. This assessment will look at everything from growth projections, an evaluation of the existing distribution system and treatment facilities and a plan for meeting these needs. As part of the plan our water model will be updated for the first time in ten years. The model helps locate areas of need both for improvement of our system and future development requirements. The updated plan gives a timeline of construction of recommended improvements for our planning to the year 2035. This plan will define the capital resources needed to fund the recommendations and it will keep our water system strong as we point our resources in the direction they are needed.

2014 IMEA Lineworkers' Rodeo (Electric)

The highlight of the fall of 2014 was Mishawaka hosting the 4th annual IMEA Lineworkers' Rodeo. The event was held September 26th and 27th in beautiful downtown Mishawaka adjacent to Beutter Park. From the planning of the event to the building of the field, our Mishawaka Utilities Electric Division led the way in setting the bar to another level. Our teams were winners in the overall competition and took home 34 event trophies. It was well attended by the public and everyone came away with a new sense of what a lineworker really does. More importantly, it was an event that utilized the downtown and illustrated what a wonderful gathering and event space we have in our downtown.



Images from the 2014 Lineworkers' Rodeo in Downtown Mishawaka

Exit From Indiana Utility Regulatory Commission (IURC)

2014 marked the first time Mishawaka Utilities operated all departments without IURC's jurisdiction. Establishing new rate structures from this point forward will be handled on the local level saving Mishawaka Utilities in excess of \$250,000 per rate case by avoiding a lengthy and costly submission process to the IURC for approval. Wastewater rates have always been set at the local level. Water rates were converted to local control in 2013 and Electric rates in 2014. This exit process began in August 2012 with a mailing of 25,000 notices to our customers regarding the required two public hearings. This process fully engaged all rate payers and City Council with sufficient information to make an informed decision regarding IURC jurisdiction. Following the public hearings the City Council adopted an ordinance withdrawing the Water and Electric Utilities from IURC jurisdiction by a vote of 8 to 1. To validate this process due to some unique issues as a Class 2 city, Senate Enrolled Act 1137 was passed by the State Legislature to finalize the Electric Utility removal from the IURC's jurisdiction.

In addition to the savings per rate case, which is a savings to our ratepayers, control and approval of rate changes will occur at the local level. As a not for profit entity, Mishawaka Utilities must meet laws state laws that govern a not for profit status. Each year Mishawaka Utilities is also audited by the Indiana State Board of Accounts to ensure its compliance. The exit from IURC jurisdiction results in monetary savings to the Utility and its ratepayers, allows for local control and approval of rates and maintains the proper checks and balances to ensure compliance with all rules and regulations.

INFRASTRUCTURE

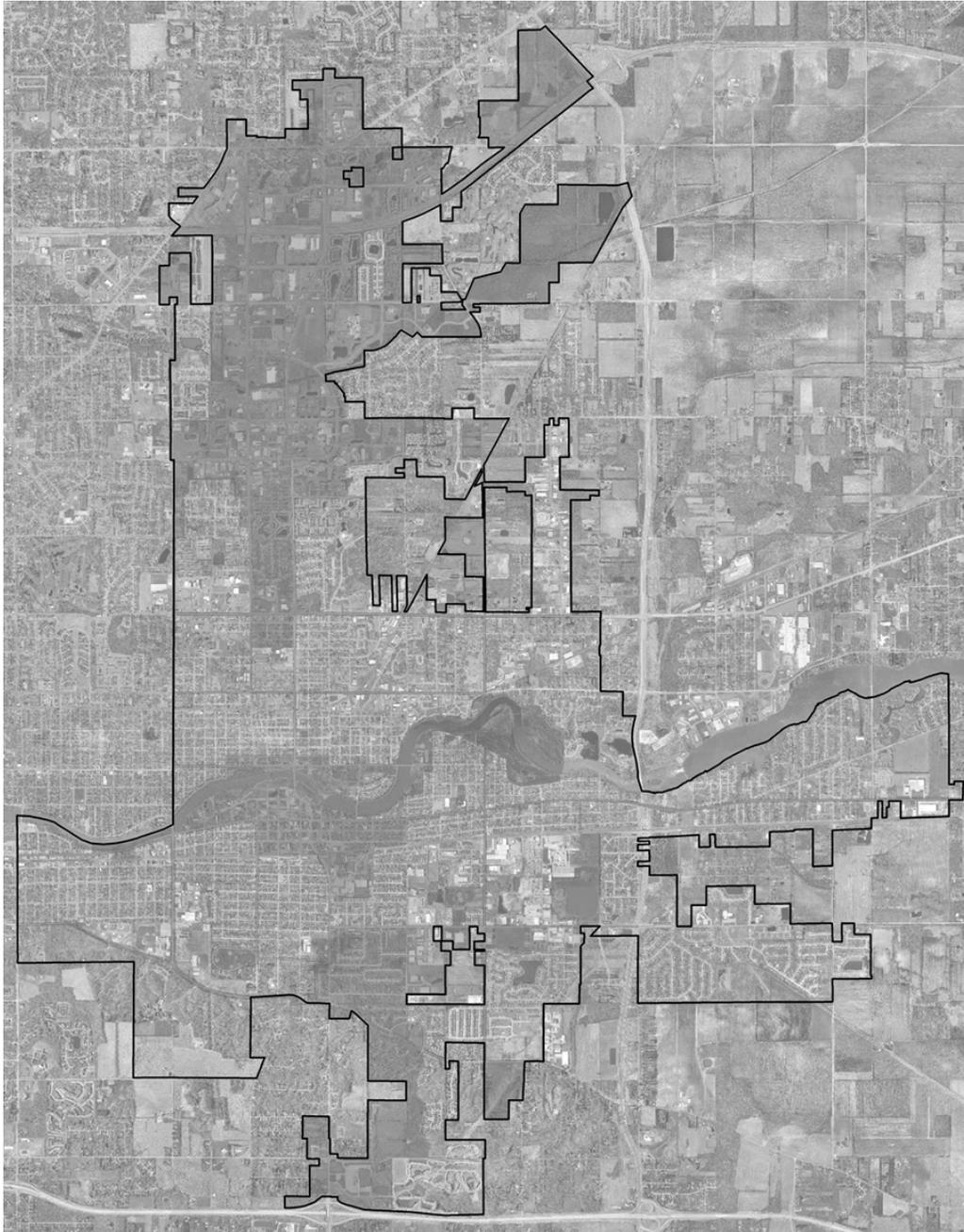
TIF Updated To Meet Long-Term Infrastructure Needs

Another significant achievement accomplished by the City in 2014 was the amendment and consolidation of the City's northwest and south side Tax Increment Financing Districts (TIF) into one consolidated district. As part of the process, my administration reviewed a combined list of our long-term infrastructure needs, our likely growth areas, and our current areas where funding shortfalls were apparent. This drove the process to identify a consolidated TIF area that would both continue to generate revenue while giving us added ability to spend tax increment financing funds in our areas of greatest need over a projected 20 year period.

The planning process itself, specifically starting with the proposed TIF amendment, was appropriate because funding mechanisms had to dictate what goals were created and what might be realistic to accomplish over a 20 year timeframe. To that end, an Economic Development Plan Project Needs document was created so that we could evaluate our perceived need relative to the projected funds to be received from TIF. Although many projects were listed, a great number of these will not be constructed or acted on in the 20 year timeframe. There is just not enough funding.

As projected, it appears that only about half the funding for these projects could be provided by TIF. As such, the intent is to use the Economic Development Plan as a tool to set priorities, create partnerships, apply for grants, negotiate with INDOT, and do everything we can to maximize the impact of the funds. Projects will be better prioritized in the coming months as we

move forward with the funding of committed long-term control and combined sewer overflow projects. At this point in time, I would encourage the Council to revisit this project list and identify if there are specific projects or group of projects that you feel is a more immediate need. Your input is valued and appreciated.



Map of the current City consolidated TIF area, adopted in 2014

Battell Center Bond Issue, Extension of TIF Funding

Part of our strength in Mishawaka is that we work to ensure that our long-term funding needs are met. As you recall, last year the State Legislature proposed and ended up adopting an automatic sunset/expiration date for Tax Increment Financing (TIF) districts that did not already have an expiration date. These areas were dubbed the “legacy TIFs”. As the law reads, the legacy TIFs are set to expire in 2025, or will run until any outstanding debt from the district established prior to July 1 of 2015 is paid off. As we documented, our infrastructure need within our TIF area is almost double the revenue we are projected to receive through 2033. This was before the proposed sunset provision was adopted by the legislature. Since a significant amount of the revenue from the TIF comes from the area that does not currently have an expiration date (legacy TIF), the impact of the law as adopted would significantly limit the City’s ability to construct infrastructure beyond 2025 without the passage of a bond that would extend the life of the district.



Image of the existing non-descript main entry into the Battell Community Center

As such, we have proposed a TIF revenue bond that would be for a term of 25 years which is the maximum amount permitted by law. As State law currently reads this would extend the legacy portion of our TIF district to 2040. This is 15 years beyond the 2025 expiration date that would occur without the adoption of the bond issue.

The proposed bond issue is for \$1,000,000 and has been slated for much needed improvements to the Battell Community Center. Since our finance capability within our Mishawaka Bond Bank is limited, the total cost of the Battell Center Improvements will not be financed, only the first million. The balance of these improvements would be paid for immediately from accumulated TIF funds. Improvements could include, but are not limited to:

- Balcony improvements which will make the balcony code-compliant and accessible increasing the seating capacity of the auditorium

- Light, sound and stage enhancements that would allow movies to be shown in the auditorium as well as increase the quality of the space for other performances.
- HVAC improvements and virtually complete window replacement. Although the most needed and the most expensive components of the project, the savings per year in utility costs will likely be in the tens of thousands of dollars.
- Addressing ADA accessibility issues and modifications necessary to eliminate obstructions and bring the vast majority of the building up to current codes. A good example is changing the door hardware from handles to levers.



Image of the Main Street side of the Battell Community Center, February 2015

Fir-Capital Connector

The City's central geographic position in the region and how adjacent population centers have evolved have afforded Mishawaka an opportunity to attract a disproportionate quantity of business, retail, service, and medical businesses to the north side of Mishawaka which is now very much a regional hub. This is a trend that has continued for over three decades. Mishawaka has chosen to embrace this trend and continues to work to improve corridors, extend infrastructure, and remove barriers to development. There is no greater example of this than the Fir-Capital Connector that provides a more direct connection from the Indiana Toll Road to our northern regional business, shopping, medical, and professional service hub.

The Fir-Capital Connector was specifically designed as a new gateway into the City from Capital Avenue at the Toll Road interchange. In 2013, the contractor completed clearing of the new right-of-way; excavation of the drainage basins; installation of the new water main, sanitary sewer, storm sewer, and conduits for Metronet fiber; and partial construction of the new street and curb. In 2014, the parkway was completed and a new traffic signal was installed at the

intersection of the connector and Fir Road. In 2015, the landscaping in the medians will be planted and the street lighting will be installed. The connector is scheduled to be opened to traffic in the spring of 2015 with a total estimated City investment of approximately \$3.5 million. When this new parkway opens in the coming months, over 200 acres of vacant land in northeast Mishawaka will be ready for development.



Images of the Fir-Capital Connector from December of 2014

Mishawaka Avenue Upgrades

The overall project includes the Mishawaka Avenue corridor extending from Main Street on the west to the St. Joseph River Bridge on the east. Additionally Pine Street, Ell Street, and Cedar Street from Grove Street to Park Avenue will be upgraded. Phase I of this project began in the fall of 2014 and includes Mishawaka Avenue from Main Street to Cedar Street, Pine Street, and Ell Street. Phase I includes the upgrade of the street pavement, curb and sidewalks, installation of new storm sewer, and rehabilitation of the sanitary sewer system. Many significant aesthetic improvements are included in this corridor; specifically, relocating the electric and communication lines carried by power poles to underground service with transformers, Central Park entrance widening, converting the ornamental street lighting to LED lights, and replacing concrete with brick pavers adjacent to the curbs in the commercial blocks. Completion of Phase I is anticipated for 2015 with an investment of approximately \$3.7 million. Phase II of this project begins on the east side of Mishawaka Avenue from Cedar Street to the St. Joseph River bridge and Cedar Street from Grove Street to Mishawaka Avenue. This work is scheduled for completion in 2015 with an investment of approximately \$2.6 million. Phase III of this project is programmed for construction in 2016 and will include improvements to Cedar Street from Mishawaka Avenue south to Park Avenue with an estimated investment of \$1.2 million.



Images of the Mishawaka Avenue upgrades taken over the course of construction

Church Street / Union Street Underpass

We are used to the orange construction barrels that have become a fixture in Mishawaka. Older areas of the City require a redevelopment approach to economic development based on a targeted project by project methodology. Economic redevelopment in older areas is more expensive and more difficult when compared to new construction on vacant land like the Fir-Capital Connector. That being said, we believe a balanced approach is key. Redevelopment is both critical and desired for neighborhood stabilization and improvement over time. There is no greater example of this than the Church Street / Union Street underpass projects.

The Church Street and Union Street improvement projects are a continuation of the projects in the Main/Church/Union corridor. Phase I includes replacement of the concrete pavement on Church Street from Lincolnway East south to Seventh Street. Highlights of Phase I include the addition of a center left-turn lane, repair of the underpass underdrains, and the construction of a

shelf at the back of the curb to facilitate snow removal under the railroad overpass. Phase I also includes driveway approaches, sidewalks, and curb ramps. In 2015 concrete pavers, fencing, and sanitary sewer structure rehabilitation will be completed. Phase I was substantially complete in the fall of 2014 with an estimated total City investment of \$5.3 million.

Phase II includes Church Street and Union Street from Fourth Street to Ninth Street. Phase II, which commenced in the spring of 2014, has continued the five lane street south of Seventh Street through Ninth Street. The street includes two through-lanes for each direction and a center left-turn lane that transitions to a protected left-turn lane at intersections. A right-turn lane was added at the intersection of Union Street and Eighth Street in anticipation of the Watson Central Services Facility opening in 2015. The existing concrete pavement, curbs, and sidewalks were replaced along with new improvements to the traffic signals and street lighting. The existing retaining walls along the east side of Church Street south of the railroad bridge were refaced with an architectural finish.



Images of the Church Street/Union Street Underpass taken in November of 2014

In addition, retaining walls were constructed behind the sidewalk along the east side of Church Street, north of the railroad bridge, to terrace the existing slope and allow for a right-turn lane onto Fourth Street. Several items along the west side of the underpass remain for completion in 2015: re-facing the existing retaining walls, constructing new retaining walls, installing sidewalk,

and installing fencing. In 2015 the aesthetics of the corridor will be improved by the addition of landscape plantings and street lighting. Phase II will be completed in June 2015 with an estimated investment of \$5.1 million.

Harrison Road

In 2009 the City identified the Twelfth Street corridor, from Union Street to Blackberry Road, as needing upgrades to carry the increased traffic volumes through the corridor. An environmental impact study was completed for the entire corridor, which was approved in 2010 and enabled the City to program Phase I of construction for Federal funding through MACOG. Due to the construction costs for these phases, the City will continue to seek Federal funding for subsequent phases.

Phase I of the Twelfth Street/Harrison Road improvements includes the section between Lexington Boulevard and Blackberry Road. Phase I was awarded in late fall 2013. Utility relocation began in early 2014, allowing construction to begin in April 2014. This project included a total reconstruction of Twelfth Street/Harrison Road along with partial reconstruction of adjoining streets between Lexington Boulevard and Blackberry Road. Construction included asphalt pavement, new storm sewer, sanitary sewer and water main extensions, concrete curb and gutter, concrete sidewalk, new street lighting, traffic signal work, and two new drainage basins. This project was substantially complete in November 2014 with final completion anticipated in the spring of 2015 with an estimated total investment of \$3.7 million.



Images of Harrison Road improvements East of Capital Avenue

QUALITY OF LIFE - MOVING MISHAWAKA FORWARD

Protecting Neighborhoods – Code Enforcement

Mishawaka has always been known for its clean and well-kept neighborhoods and neighborhood stability remains a priority. Vacant or blighted structures can become a haven for criminal activity and other undesirable issues that can have a very negative impact on a neighborhood. As a city, the quick and remedial action taken on a daily basis for these types of properties helps prevent the deterioration of neighborhoods. The City's Top 100 Program has been very effective tool that Code has used for the past nine years in reducing blight. Every year code officers identify the 100 structures that need the most attention throughout the City. A total of 69 properties were brought into compliance in 2014. Our nine-year total is 810 out of 900 cases brought into compliance.

Costco Comes To Mishawaka

I have been repeatedly told that Costco, which opened in 2014 on University Drive right before the holidays, does not represent "true" economic development. Although clearly a manufacturer who sells products out of the region is more traditional, Costco is another signature development for Mishawaka and the region that adds significant value.

By the numbers:

- Costco developers estimated their total investment at 35 million dollars
- 22,672 people applied for a total of 213 jobs
- 33 existing Costco employees transferred to Mishawaka, including two from Hawaii.
- The Mishawaka opening was their best opening in the entire Midwest. This opening also had the distinction of having the most memberships sold.

Costco is also an amenity for the region. It is a fact that when Notre Dame, St. Joseph Medical Center, or any other employer is competing for and recruiting talent from around the country, Costco is one more metropolitan staple that is almost expected in larger areas. Similar to the Apple Store, the Ruth's Chris Steak House, and Whole Foods, Costco has a following of its own that makes it different and a draw from areas well outside of Mishawaka.



Images taken following Costco's opening in December of 2014

Central Park Renovation

The prioritization of quality of life investments is one of my passions as Mayor. Streetscapes, walking trails, park improvements, and other expenditures that impact the livability of the community continue to be readily identifiable difference makers to the average citizen. There is no better example of this than our planned renovation of Central Park. We are in the process of making a 4.8 million dollar investment to create a “*city-wide destination family park*”. Construction is well underway.

We look at each one of our parks as unique, and Central Park’s history as a company picnic area, located adjacent to the river, in close proximity to the downtown, and connected by the Riverwalk system, dictated this significant investment. We look at our parks along the river and Riverwalk system as a string of pearls. Each one different but contributing to the greater system. The improvements underway are intended to be a once in a generation investment. Upon its completion, our intent is to add another signature park event for the space. Beutter Park has the concert series, Kamm Island has Kamm Island Fest, and Central Park will have a similar but different signature event. We are open to ideas!

The following is a list of some of the key elements of the Park:

- For older kids, a 28-foot tall rope climbing tower will be installed. As far as we know, this German made structure will be the tallest “play” climber in the United States.
- For younger kids, concrete storm pipes will be set into a hill to provide a realistic tunnel crawl experience without the dangers associated with actual storm pipes.
- A variety of standard play equipment will be provided including swings, slides, and climbers that overall can accommodate over 100 kids at a time.
- A programmable interactive fountain that will provide relief from the summer heat.
- Five rentable pavilions. Four smaller pavilions that will accommodate a typical birthday or family picnic up to 30 people. One larger pavilion that can accommodate 70, with a decorative fireplace.
- A new restroom building. Rather than creating large rooms with multiple stalls, the building will contain 5 family sized restrooms for occupancy by one individual or family at a time. The building will be situated between the main play area of the park and the Riverwalk to serve both functions.
- An open event lawn surrounded by a multipurpose walk. This will replace the existing softball field and will be an ideal place to fly a kite, watch fireworks, or even sled in the winter.
- The existing tennis courts will be redone to provide one fenced tennis court and one fenced full court basketball court. Other notable park improvements include tiled play surfacing, new site furnishings, decorative lighting, and gateway signage.

Currently, the project is on schedule to be open and be ready to use in July of 2015.



Images of the Central Park Renovation taken in December of 2014



Illustration of the proposed interactive fountain, with the 28' tall climbing apparatus in the background



Illustration of the proposed entry Gateway structure at Central Park

Way-finding and Branding

Going back to when I was on the City Council, I thought that the City should have better identification and way-finding signs. Well, I have been Mayor now for five years and have finally moved this up as a priority for 2015. As the years go by, we continue to expand and develop as a destination and regional center for commerce. As such, the need to better identify



Image of existing welcome sign and a design concept for a new one reflecting an updated branding

how to get around is increasingly important. To this end, the City has contracted with Franko Design LLC of Osceola to develop concepts and put together the designs and specifications necessary to install welcome and directional signs in key locations throughout the City. Although they will only be located on major thoroughfares, the signs will have the added benefit of contributing to the streetscape and image of the City.

New Construction – Highest Level Since 2008

From a new construction perspective, the great recession hit bottom in the middle of 2009. In comparison, between 2005 and 2008, even excluding the St. Joseph Regional Medical Center project, the City averaged close to \$100 million in new construction every year. Since 2010, new construction has been gradually increasing.

2010	43 million dollars
2011	45 million dollars
2012	52 million dollars
2013	53 million dollars
2014	68 million dollars

The 15 million dollar increase between 2013 and 2014 is a one-year increase of roughly 27% in estimated construction cost.



Concept image of new way-finding directional signs

In 2014, in addition to Costco on University Drive, new development occurred in virtually every part of the City. On the south side, Primrose Development started construction on a significant retirement living complex north of Fulmer Road. In Downtown, after working for an extended period of time to secure funding, Barak River Rock began construction on a 72 unit mixed use building between Mishawaka Avenue and Grove Street, just east of Elizabeth Street. This is the first for-profit construction project started in the Downtown since the start of the great recession. On the north side, construction began on the Bell Tower Health and Rehabilitation Facility west of Fir Road, north of Douglas Road. This continued the ongoing trend of medical, health, nursing, and care facilities developing in reasonably close proximity to the St. Joseph Regional Medical Center.



Photos of developments under construction including the Primrose retirement community and the Bell Tower Health and Rehabilitation facility

2015 looks equally as promising. Great Lakes Capital completed the acquisition and clearing of 45 acres at the northwest corner of the intersection of State Road 23 and Gumwood Road. We anticipate that a new apartment community will start construction on the northern portion of this property in the spring of 2015. The commercial portion of the development, closer to State Road 23 will be developed as dictated by the market. Although it will take many years to complete, we anticipate the construction value of this property alone will exceed 100 million dollars.

Combined with this, the roughly 200 acres that now have access and utilities available along the Fir-Capital Connector will be open for development in the spring of 2015.

After limited interest for many years, the City has also been contacted regarding downtown properties as well. At this point in time it is too early to tell if anything will come from this interest, but the fact that there is this amount of interest is a significant change from recent years.

Mishawaka Manufacturing

Another important characteristic that makes me optimistic moving through 2015 and beyond is how our local manufacturers continue to grow and evolve. Did you know that our local pet food manufacturer WellPet is looking to sell more products in Japan? Did you know that our local manufacturer Jackel makes sump check valves that are distributed around the country? Lastly, how great is it that AM General is under contract to make a Mercedes Benz luxury vehicle that will be shipped exclusively to China?

The bottom line is that the City is well positioned for significant growth in 2015.

Public School Funding – A Needed Shot in the Arm

As Mayor, I end up touring many businesses and talking with CEO's. As part of those discussions, one common issue stands out as a barrier to job growth in Mishawaka and across the region. Job skills and career training are critical impediments to job growth. While schools and City government are completely separate with their own leadership and governance, I believe our future hinges upon our ability to assist schools with providing career training for our future workforce.

Early in 2014, I pledged \$50,000 to the School City of Mishawaka Education Foundation as part of their *Mishawaka Promise* initiative. These were gifted funds from the University of Notre Dame which made their commitment to local education even more relevant. I committed these funds in part because of the well-publicized financial challenges facing School City and because I have great confidence in the MEF who will direct these dollars straight into the classroom to the benefit of Mishawaka students and teachers.

Since that time, the City received a request in October from both Penn-Harris-Madison and School City of Mishawaka for funds to assist with the implementation of various initiatives, most prominently "Project Lead the Way".

I understand that the predicament of local school corporation financing is similar to the City's, and that in particular, the "Project Lead the Way" initiative represents the type of program that the State Legislature envisioned when it identified that educational programs "designed to prepare individuals to participate in the competitive and global economy" would be eligible for the use of redevelopment funds. As such, I will be making a recommendation that the Redevelopment Commission reprioritize funds originally intended to fund infrastructure projects to accelerate the implementation of Project Lead the Way in both school corporations, specifically helping to prepare the next generation.



In the coming years, the City will forge new partnerships with our schools whenever possible and practical to the benefit of ALL of the students of Mishawaka, no matter the school system. We will continue to partner with our schools and business community to make sure that the schools of today are preparing a capable workforce for tomorrow.

Conclusion – Thank You

Although my summary highlights a handful of items and on-going efforts, I would encourage all interested to read the full reports provided by each City Department for a much more complete perspective. Yearly, I am pleasantly surprised by what our departments are able to accomplish and think you will be as well.

Mishawaka's strength starts with our hard-working citizens who take pride in this city. It is all of us working together that will make Mishawaka ever greater. It is promoting the quality of life here to ensure that every citizen has an opportunity to succeed and thrive in a community that is safe and inviting. It is investing in our infrastructure and providing world-class services that support our growth. It is local government that is honest, friendly, open, transparent, responsive and lean.

We are working hard to make Mishawaka Strong. But we need everyone's help. You know, people often stop me on the street, *which is to say, at Meijer* and say "Mayor, you are doing a great job in Mishawaka but you need to make sure people know about the great things happening." Call it my Hoosier humbleness. We quietly go about making our city better with each decision, fulfilling our responsibilities knowing that good things will come. But we are decisive here in Mishawaka and I have decided that to continue the progress that we've made in Mishawaka, we need to do a better job of telling our story.

At this time, I am asking you to help tell our story...in every neighborhood, in our service clubs, at our sporting events, at every opportunity, let's let everyone know about our Mishawaka success stories.

Once again, I want to thank all of Mishawaka for providing me the opportunity to serve. I continue to be humbled by the trust that has been placed in me. My service as Mayor continues to be the honor of my lifetime. I love Mishawaka and look at its citizens as part of an extended family. It is also my privilege to work shoulder-to-shoulder with the finest public servants anywhere. Together, we will continue to work to make decisions today with an eye toward future generations. I believe greatness lies ahead of us!

May the Princess always look over your shoulder and may God continue to bless you, our citizens and our great City of Mishawaka.