



State of the City 2010

From Mayor Karen Majewski

Good afternoon everyone. Thank you for attending this 2010 State of the City address. I know you're here because we share a common concern about what the future has in store for Hamtramck. We all care deeply about this place. Many of us have invested not just our money, but our hearts and souls, in this impossible little city, this global village. We all want to know where it stands, and even whether it can stand. I deeply appreciate your concerns, and your commitment. The city needs you; your neighbors and your neighborhood need you. And I need you as well as we move forward.

Nothing is ever easy in Hamtramck. But we wear that as a kind of badge of courage. No one is here because we are the kind of people who look for the easy way. I think, rather, there's something of the spirit of the immigrant built into the bones of this city: a spirit focused on the hope of a future, unknown, sometimes frightening, but waiting to be shaped by our willing hands. I think that Hamtramck attracts people of faith and vision--intrepid, imaginative, and willing to stare uncertainty in the face, and on a wing and prayer roll up our sleeves and get our hands dirty doing honest, productive, and challenging work. We know that no one will step in and do that work for us. That makes our task harder. But it also makes it OURS--our responsibility, and our achievement.

So let me talk a little about the achievements of the past year. It is no small thing, with the biggest economic downturn since the great depression staring us in the face, that we've been able to accomplish so much. And the difficulties we still face shouldn't diminish our recognition that so many people are working so hard to keep our projects moving ahead, step by sometimes tedious step. It may not be romantic, but because brick really does build upon brick, some of the projects I've been telling you about for a couple of years now have finally come to fruition.

One of these is the beautiful new Department of Human Services building on Jos. Campau, which opened early this year. It replaced the old Woody Pontiac dealership which had stood vacant and blighted for a decade. The former DHS building on Denton is, I'm told, slated to be torn down and the site redeveloped.

The traffic light replacement project along Caniff between Lumpkin and Buffalo has also been completed, with the help of a federal \$475,000 Congestion Mitigation and Air Quality improvement grant. All the lights are now energy efficient and are sequenced for better traffic control. This means, by the way, that one of our Hamtramck oddities is now a thing of the past: the lights at Mackay and Brombach in front of the fire station are no longer "stop and proceed with caution" lights. This will take a little getting used to, so don't do what I did a couple weeks ago and turn left on a red at Mackay!

Speaking of energy efficiency, a \$98,000 grant has also allowed us to do an energy audit and will cover some upgrades to city buildings. And with a \$400,000 U.S. Environmental Protection Agency grant we've been able to test about fifty residential and commercial properties around the city for possible environmental hazards so that redevelopment plans for those sites can proceed. Not all of these projects are visible to residents, but they are essential and costly steps in an overall strategic plan for cleaning up blighted properties, facilitating development projects



already underway, and making vacant sites marketable to new businesses. Another component in that strategy is the \$1,000,000 USEPA grant the city has received to set up its own Revolving Loan Fund to help fill financing gaps in redevelopment projects.

One project that is nearing completion is our new city master plan, funded with a \$90,000 grant from the State of Michigan. This plan will include an economic development strategy, land use plan, recommended updates to our zoning ordinance, as well as recreation and arts and culture plans, making it a model of best practices in the master plan process that all cities undergo. I thank all of you who've provided input so far. The completed plan will be presented for review by our Interface Studio partners next month, and we'll all have a chance to tweak it before final adoption this fall.

And in case any of you are wondering what's going on with the sidewalks on Brombach, what you're seeing is the first phase of our Safe Routes to Schools grant, which brought us \$956,000 to make it safer for our children to walk to school by replacing sidewalks, installing speed indicators, and providing safety education programming. I want to especially thank the Hamtramck Public Schools and ACCESS--the Arab Community Center for Economic and Social Services--for working closely with the city to make this program possible. The construction will be going on all summer, and will include new sidewalks the entire length of Brombach and Mackay from Holbrook to Carpenter, as well as sections of Buffalo, Edwin, Norwalk, Doremus, Burger, Casmere, and Grayling. I'm just sorry Pulaski isn't on that list!

But construction won't be ending with sidewalks. The city received \$1,400,000 in Neighborhood Stabilization Funds (NSP 1), through Wayne County, which leveraged against approximately \$1.48 million in HUD HOME funds will be used to acquire, rehabilitate, and sell approximately 30 homes on scattered sites throughout the city, in partial fulfillment of the long-standing R-31 lawsuit. We have been working overtime to fulfill our requirements under the consent decree for the last several years, and this year the components--including all the funding--are finally in place. An essential piece of that funding is the \$15,439,679 in NSP 2 monies we are receiving to acquire, deconstruct, and demolish blighted housing, acquire and rehabilitate affordable housing, and develop and manage affordable new housing. And finally, the State of Michigan through MSHDA is funding a \$9,000,000 project to rehab and build 35 rental homes. With these new funding sources in place, we now know how we will create the 104 remaining housing units to uphold our end of the consent decree. The longest-running racial discrimination lawsuit in our nation's history is coming to a close. I will have much more to say about this when the keys are turned over on that 104th home--and I won't be the only one--but for now let me just say thank you to our advocates and friends at MSHDA and to our City Attorney Jim Allen for all they've done to weave these complex pieces together in a way that's acceptable to the plaintiffs and workable in this difficult financial climate. This is also work that goes on behind the scenes and is often unsung, but that has historic, game-changing impact on the city.

While so much work is by nature invisible, other projects are meant to be seen, like the Downtown Development Authority's Facade Improvement program, which helps businesses upgrade their exteriors and has now expanded to offer this benefit not just to businesses in the downtown district, but throughout the city. With so many projects at different stages of the



process, we expect by next summer that at least 11 businesses will have brand new facades in and around downtown Hamtramck.

The DDA has also finished installation of public safety cameras to monitor much of Joseph Campau, segments of Belmont, Mitchell, Evaline, and Norwalk streets, as well as the old Shoppers World parking lot. Those cameras are now up and running as part of our public safety tool kit.

Another component of that tool kit are the new radios for the police and fire departments, secured with a \$200,000 Homeland Security grant, and patrol car mobile data computers our police department is acquiring with the help of \$30,000 in communication grant money supplemented by drug forfeiture funds. Last year when I spoke to you here, we were just preparing to name our new Police Chief. So this year I want to officially welcome Chief Marek Kalinowski, though he's been on the job in his new position for about a year now, and of course had a long history in the force and in our city before taking on this new position. I don't think we could hope for a chief more devoted to the city and more responsive to all our residents. While I'm on the subject of the police department, I also want to make sure you all know that Officer Brian Misiak was able to return to active duty with us this year. I'm sure most of you remember when Officer Misiak was shot during the blackout of 2003, costing him part of his arm and elbow. And I'm sure you all join with me in thanking him, and welcoming him back. I also want to congratulate our two officers of the year, David Donnell and Gregory Collins.

Our fire department is also making improvements. Chief Paruk received a \$247,500 grant for a new pumper as well as a combined \$73,000 for other safety equipment in addition to the radios mentioned above. The new pumper should arrive around February of next year--I'm sure we'll be having it blessed at St. Florian's, just like the new engine we brought on board in 2009. And I hope that next year I'll be reporting that the department will receive grant funding for a much-needed aerial ladder truck.

The department continues to score well in national ratings, and proved its mettle in the Sterling Services fire last August. What could have been a disaster was handled with the highest level of professionalism and dedication. In fact many partners, including the Hamtramck Police, the employees of the Hamtramck Housing Commission, neighboring fire departments and agencies, and Marathon Oil Company came together seamlessly with our own Hamtramck Fire Fighters to make us all proud..

You may have noticed all the talk across the state about intergovernmental cooperation. Our fire and police departments have long-standing cooperative agreements with other departments, but this year our Finance Department has also contracted with the City of Highland Park to provide its income tax services. Like most projects, this has hit a few snags in implementation, but as it goes forward will be a source of new income for Hamtramck. In addition, our Finance Department has negotiated the reallocation of our MERS retirement account, resulting in a savings of about \$900,000 for the city. For this I want to recognize our Finance Director Nevrus Nazarko. He has worked miracles in what has to seem at times like an impossible job, and in what I know is usually a thankless one. I meet with a lot of elected and appointed officials as well as representatives of public agencies and private business around the state, and many of



them have let me know that Mr. Nazarko is well-known and well-respected among them. But I'm willing to bet he's not envied. So especially as we face some frightening times ahead, I want you to remember that we have very smart, capable, and experienced heads at work on our problems. I think we should listen to them.

But I want to talk about a few other projects around town before I return to the looming question of our finances. Because I want you to see how much we've been able to do even in these times, how much is in progress, and how much is at stake as we look ahead and consider our options.

One of the programs that we nearly lost in this year's budget process was our Downtown Development Authority. I've already noted the facade improvements and security cameras that the DDA has brought us, but let me bring up some more DDA activities you may not know about. Besides working on projects like the Labor Day Festival (for which the DDA provides the liquor license and other support); Paçzki Day; sidewalk sales and regular merchant meetings; holiday decorations; Hamtramck Clean Sweep and graffiti removal (in cooperation with Hamtramck's Weed & Seed program), the DDA is a member of the new Downtowns of Promise initiative, which will create a Five Year Strategic Plan and other assessment tools for our downtown, providing \$45,000 worth of services at a cost of just \$4500 to the DDA. Coupled with that program, the DDA is an Associate in the Main Street Program, which as we progress toward full membership provides free training and a grocery list of support services to downtowns in order to spur economic development through historic preservation and community partnerships.

Besides improving our downtown, the DDA works on multiple ways of promoting it, most notably through the Detroit Metro Convention and Visitors Bureau, through which Hamtramck is publicized as an historic tourist destination, resulting in group tours from around the state and from northern Ohio, as well as film industry opportunities. The DDA and our Community and Economic Development Department are currently working together on an upcoming Vacant Property Open House to help commercial and residential property owners fill their vacancies or find buyers for their properties. And they are also working together to oversee a MSHDA grant that will provide up to \$35,000 per unit for the renovation of second story residential units in our downtown district. This is part of a strategy advocated nationwide that recognizes the unique attractions of urban neighborhoods, especially for young, well-educated residents. Hamtramck is well-situated to take advantage of this trend among a rapidly-growing demographic with an entrepreneurial spirit and high earning potential. But we simply can't afford to sit back and hope these folks notice we're here, while other communities are out selling themselves. We need to continue making our downtown more attractive and more marketable, and we need to retain and promote what assets we already have.

That's why the Community and Economic Development Department is part of a team which also includes the Michigan Economic Development Corporation, Wayne County, Michigan Works, the Detroit Economic Growth Corporation, and the Procurement Technical Assistance Centers that meets with one business per week to identify any assistance we can provide to retain businesses and employers in Hamtramck.



And that is why the department has been busy in the past year actively marketing our properties in print and through the web, and why those efforts will only expand in the next year.

In the next couple of months we hope the department's ongoing negotiations with SMART will result in the reestablishment and expansion of the Hamtramck Shuttle, to include stops tying the system into the Amtrak Station, Woodward Bus Line, the proposed Woodward Light Rail, Eastern Market and the Wayne State/CCS/Cultural Center area of Detroit.

And on a related transportation note, Community and Economic Development continues to work with Preserve Our Parks, Cities of Promise task force, Michigan Trails and Greenways Alliance (MTGA), Wayne County, and the City of Detroit to secure funding for the development of the Hamtramck Trail, and to connect the city to a proposed 450-mile regional trail network.

You can imagine that in the current economic climate, development is a difficult field to be in. No doubt that is the reason that some of the projects I spoke about last year are still works in progress. These include the Missant site, future proposed home of Green Power Technologies; the Hausner Building at Jos. Campau and Belmont, which will contain offices, residential lofts, and Flavors Restaurant; the former Citizen building, which will combine office and residential space; the Mitchell Street Town Homes project, which is still working to secure financing and incentives. We are all watching the work on Gandhi Restaurant, and the renovation of the old North Detroit Hospital complex on both sides of Carpenter, as it is transformed into a charter high school. We welcome the new and expanded businesses of the past year, including Aladdin's, International Motors, and the new Mars Bar. And we regret the closing of old Hamtramck standbys like Flowers by Ed.

Changes like these--some sad, some hopeful--are just evidence that Hamtramck is a living, breathing, evolving city--a city with a colorful and influential past, and a future which our actions in the present are helping shape. No project is more symbolic of that past and present than the Hamtramck Historical Museum which will be created in the former Polish League of American Veterans Post One building on Holbrook. You all know that this has been a particular dream of mine. But it will be a reality because of years of planning and hard work by our Historical Commission, especially its president Greg Kowalski' our supporters throughout the city and the state; our Cities of Promise team; and a whole extended community of as-yet unknown participants--I hope all of you will be among them, in one way or another. There will be many ways to help. Expect to be called upon, because more than anything this museum is a tribute to those who built and are continuing to build Hamtramck. There will be much to be said and much to be done as the building is transformed, as artifacts are transferred, as programs develop and fundraising begins. This is just a new stage in a long process. But it is a crowning achievement to have taken this step, and although it is an historical museum, it is evidence that the city believes in not just its past, but its future.

So let me talk about that future. I'm glad you're sitting down. Some of you know the Polish Muslims song, "We're Not Goin' Bankrupt." Well, I wish I could tell you that we aren't. But the truth is, if the present perfect storm continues and nothing changes in our situation, we could be right back in receivership before this time next year, and probably well before.



This is not because we've misspent. It's not because we've squandered your tax dollars. In fact, as you know, since we came out of Emergency Financial Management in November of 2007--no mean feat in itself--we've managed to create a healthy reserve, a "rainy day fund" to cover emergencies and unforeseen expenses. We've been paying down our debt, performing at a par with other financially stable communities, and passing audits with no major issues. All that while our property taxes were kept lower than those of surrounding neighbors like Detroit, Highland Park, and Harper Woods. That does not happen through mismanagement or short-sightedness, but through sound and balanced management. Yet now, like scores of other municipalities in Michigan, we are fighting for our life. Like every city in Michigan, a spiraling confluence of economic setbacks has caught up with us. Let me remind you of what they are: Like every other city, with unemployment up, all forms of revenue are effected as people pay less income tax, as they spend less in our businesses, as they seek relief from property taxes, as they lose homes to foreclosure, and as businesses close as a consequence. With the State of Michigan in a downward spiral because of these same issues, legislators are keeping more and more of the revenue sharing monies originally intended for municipalities, so city budgets are being slowly starved of an essential segment of their operating funds. In addition, our costs are continually rising--legacy costs, repair and maintenance costs on an aging infrastructure, rising employment costs, insurance costs that are being raised by the double-digits. The combination of these factors alone threaten cities across the state with insolvency. For us, though, there are some additional problems. With the end of production in the Hamtramck portion of American Axle, the city has lost about \$500,000 a year in income tax alone, on top of property tax losses from the closed plant.

But the potential death blow for us--if I can be so dramatic--is the issue we are having with the City of Detroit over our portion of tax revenue from GM's Detroit/Hamtramck Assembly, the Poletown plant. Thirty years ago, in 1980, Hamtramck was reeling from the news that Dodge Main would close, taking thousands of jobs and the city's main economic engine (and in fact, Hamtramck's historical reason for being) with it. The Poletown project, in all its controversy, was offered to us then as a lifeboat. And now, in 2010, we are being thrown out of that lifeboat. The boat itself is seaworthy--hell, all we hear is that "Hamtramck" will be building the Chevy Volt, that "Hamtramck" is adding another line, that "Hamtramck" holds the future for GM, maybe for the whole domestic auto industry. God knows I hope it does, and I wish GM every success.

We should, then, have reason for optimism, right? But instead, it's the Hamtramck Poletown plant that may be our undoing. Here is why, the shorthand version: Because the Poletown plant straddles the Detroit/Hamtramck border (with no production actually located in Hamtramck) we have a Payment in Lieu of Taxes (PILOT) agreement with the City of Detroit in which property taxes for the plant are collected by Detroit, which then distributes our portion according to a contractual formula. In something of a replay of the issue we had with Wayne County over our jail PILOT a few years ago, Detroit is contesting our portion, and withholding all payment until the matter is settled. Things get quite complicated from there, and we are in conversation with Detroit about the issue, but the bottom line is simply that until the matter is settled we are not being paid, and that the budgets we've passed rely on spending down our hard-earned budget stabilization fund to make up the difference. That is an unsustainable strategy, which by best estimate will deplete the fund and send us into deficit spending--and thus into receivership--by



the first quarter of 2011. And we all know what that's like. Only now, what department remains that an Emergency Financial Manager could outsource?

A viable alternative--to raise taxes to the allowable level under state law (a strategy more and more cities have been forced to take)--was rejected by the majority of council. Other alternatives which would buy us some time--including union concessions--have at this point fallen through, resulting in layoffs scheduled to begin tomorrow. In the meantime, non-union employees have taken a pay cut and suffered layoffs. But that is not nearly enough to plug the hole. So now you know what keeps me up at night, and no doubt dogs the sleep of our city manager and finance director as well.

So this is the state of our city. In some ways what it's always been--proud, stubborn, hard-working, hard-scrabble, death-defying. We are made up of good people, and we're building a good place here. We have to keep building it. There really is no acceptable alternative. And our assets--the things we love about this place, the things that attract new people here and that keep it strong in the hearts of even those people whose lives have taken them elsewhere--those assets remain, and need our nurturing.

Thirty years ago, faced with the Dodge Main disaster, Mayor Kozaren began what has evolved into the Hamtramck Labor Day Festival to bring the community together in a celebration of shared identity and loyalty to place, to neighborhood, to history, and to continuity. Hamtramckans back then had a lot to celebrate, and Hamtramckans of today have no less, and maybe more--we have come through another thirty years of ups and downs, of hope and uncertainty, gone in and out of receivership, and another generation and more has come to make this place its own.

This year I've been hearing a lot of rumors about the festival, though, since the Events Coordinator position was lost in this year's budget cuts--and I want to take this opportunity to thank Eve Doster for the fantastic, first-class job she did for us, on Pączki Day, on the festival, on the international bazaars, on cleanups, on the swearing-in ceremony, and on so many other events big and small she put together. So let me tell everyone again that the Labor Day Festival is on, and let me issue a challenge to you all. Like last year, the festival will be run by the city, and this year it will be organized by a committee of residents chaired by Kathleen Bittner, assisted by Rachel Karpinski Srodek. It will be run on a shoestring, but we're good at that. In fact, it gives us an opportunity to return to our roots, and show just what Hamtramckans are made of. The theme of this year's festival is "Home Grown," and we're looking for local entertainers, for local vendors, and of course for local volunteers. Please call the Polish Art Center to get involved.

In past years, I've stressed the importance of the individual choices we all make every day in supporting, sustaining, and improving our neighborhoods and our city. How important it is to get involved in your local block club or neighborhood watch group. How important it is to spend your money here in Hamtramck, to attend local events, to get to know your neighbors and your neighborhood businesses, even when it means traveling out of your comfort zone. How important it is to look out for each other. There are many simple, day to day ways we can all build community. Be a good neighbor. Sit on your porch. Take a stroll up and down Campau.



Pick up some trash. Stop for ice cream. Say hello to your neighbor, and even better, learn to say hello in your neighbor's language. The list is long, and you all know ways to make it longer. But this year I'm going to add another item: get involved in the Hamtramck festival. We need you, and your ideas, your input, and your presence matters.

This will not be an easy year for us, if there ever has been such a thing here in Hamtramck. But it could be a pivotal one, in which we prove our mettle, and craft a viable future for ourselves from the ground up. There is a whole lot going on here, and even more that needs to happen. You know what those things are. You may even have an idea of how to make them happen. Now is the time when your ingenuity, good will, and drive are most needed. Hamtramck exists not just because somebody way back in time created it, but because we recreate it according to our own needs and desires every day we live here. You hold it together in thought and make it manifest in deed. Thank you for doing that. Dziekuje. Faleminderit. Shukran. Dhanyabad. Hvala. Spasibi. Thank you, and take heart. This is our little city, and it's worth working on together, in fellowship with each other, and with faith in our future.