STATE OF THE CITY ADDRESS

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Mayor Robert M. Eschbach

October 4, 2012

**INTRODUCTION**

 Thank you all for being here and thank you to the Ottawa Area Chamber for again hosting this event. It is always a pleasure to be able to deliver the State of the City address before this forum. Actually, by ordinance, the Mayor is required to submit an annual report and I have always considered this address to be that report.

 It is always difficult to cover all of the activities occurring in the city. It is even harder to recognize all of the people who help deliver city services and guide the growth and development of Ottawa. I do want to acknowledge all the men and women who work for the city. It is always a thrill to be surrounded by competent, hard-working people working as a team to achieve common goals. We have a great team.

 I especially wish to thank the Commissioners on the City Council for their dedication. We've worked together for many years and have learned to understand and appreciate each others' views. My appreciation goes out to Finance Commissioner Wayne Eichelkraut, Public Health & Safety Commissioner Ed Whitney, Public Property Commissioner Dan Aussem and Streets & Public Improvements Commissioner Dale Baxter.

 Finally, I thank the Ottawa Area Chamber, your executive direction, Boyd Palmer who works closely with city staff on economic development projects, and everyone in this room. If I had the time probably half of your names would come up in this address as having been involved in some way in connection with the projects I'm talking about today, whether as a Chamber official or member, or business owner, or a person sitting on a city board, committee or commission, or as a hands-on volunteer.

 I'd like to begin as I usually do by looking back at what has occurred on the economic development front this past year, then talk a little bit about city services and city finances.

**OTTAWA BUSINESS GROWTH & JOB RETENTION**

Last year I talked about the significant number of jobs that were being created by existing businesses. Some of that continued this year.

 **U.S. Silica** – In the past year U.S. Silica has expanded its plant adding a 4th dryer. In addition the company went 24/7 starting last October. Silica hired 35 more people to run the operation along with 10 professional staff. All of the changes made this year have expanded production capacity by over two-thirds. It has been the fastest growing industry in Ottawa during the past few years due to the critical role Ottawa’s silica sand deposits are playing in the production of energy in the United States.

 **B&B Electronics** - has quickly grown from 116 Ottawa employees last year to 130 employees this year.

 **MBL** – has added 10 employees during the past year for a total of 195.

 **Pilkington -** hired 30 new employees over the last 2 years. Unfortunately, a layoff occurred when Pilkington lost one of its major contracts. However, it turns out the new supplier could not produce the quality of glass required and those jobs have come back to Ottawa.

 **Kohl’s** – has added 44 new associates during the past year for a total of 370 employees. Kohl’s is proud to note that its associates during the past year have supported 67 charitable and community service events for organizations in places where they live with a total of 1,400 volunteer hours and $30,000 contributed by Kohl’s.

 **Ottawa Pavilion** – Has completed an extremely attractive new facility as Phase I and now have 121 staff – little changed from last year. An increase in employment is expected early in 2013 when Phase II adds 42

new beds. This phase will include the Memory Unit and a complete renovation of Wing 800. $17 million project.

 **Pleasant View A Lutheran Life Community** also completed its project consisting of renovation of the patient tower building and new assisted living apartments. Pleasant View Luther Life Communities plans on beginning work on its next phase of construction soon.

 In the past year the city welcome several new or relocated businesses including: **Radio Shack** and **Cato Fashions** located in a new retail facility in Ottawa Center north of I-80. **Advanced Auto Parts** opened a new store on Norris Drive, while **Little Caesars** located it's new store on Norris Drive. **Coldwell Banker** is about to move into a new facility on Columbus Street at the CSX tracks.

 The **Pharmacy Stop** built and moved into a beautiful new building on the I & M Canal on Michigan Street.

 Several businesses made substantial improvements and renovations to their facilities including the **Bill Walsh Chevrolet Store** on East Norris Drive. **Casey's Gas Station** added a considerable addition to its building

on Norris Drive. Improvements were also made to **Dunkin Donuts**,

**ONGOING ECONOMIC DEVELOPMENT EFFORTS**

 As everyone knows, the economy has generally been lackluster the past several years. However, I am happy to say that the trend seems to be changing. The city has entertained more site searches and economic development inquiries in the last three months than we probably have in the last four years. We are working closely with interested companies and all of our economic development partners to show that Ottawa can meet or exceed their needs.

 This might be a good point to just say a few things about the **Ottawa Industrial Park (OIP)**. This is one of the great tools we have developed over the years to attract industry to Ottawa. We have been able to develop an industrial park with amenities that can meet the requirements of a wide range of potential developers. Those items include:

1. Land. The city either owns or has options on hundreds of acres.
2. Rail. The OIP is one of the few areas with ready access to rail. The CSX Rail is along the entire length of the industrial park.
3. Barge. Illinois River barge transportation is available through ADM Terminal Services.
4. Roads. The entire length of the park fronts a federal truck route highway.

 How many places around here can you think of that have rail and barge access and are only a couple miles from an I-80 interchange. But there’s more.

1. The Ottawa Industrial Park is in the Enterprise Zone, which allows the State of Illinois to offer all of their incentives.
2. It’s in a TIF District which provides funding to extend infrastructure.
3. It has significant water and sewer lines and capacity.
4. It has detention ponds and storm sewers done and ready.
5. It has large electric capacity.
6. It has large natural gas capacity.
7. It has significant telephone and fiber optic capacity.
8. It has iFiber.
9. It has the up-front work already done including topographic surveys and environmental signoffs.
10. It has completed, shovel ready sites with truck route streets, rail spurs and all utilities ready and waiting.

But there’s more.

 We’re about to construct an additional $4 million of improvements including the next street, the next rail spur, and all the utilities that go with them. Why? Because we’re running out of developed land. Private investment of businesses in the Ottawa Industrial Park exceeds $130 million to date. The Federal Economic Development Administration sees this success and future potential, and has awarded us a $2 million grant towards constructing the next phase.

**INVESTMENT IN PRIVATE AND PUBLIC INFRASTRUCTURE**

 The foundation of any strong economic development effort is adequate infrastructure. This past year saw an incredible amount of infrastructure construction and investment in Ottawa by private companies as well as the city.

 **Nicor** Gas has installed over two and a half miles of new gas mains on the West side of town, replacing aging mains in those areas.

 **Ameren** can clearly be seen installing the 138 kV high-power lines on the north side of the City. This $6 million project will loop the City of LaSalle to Wedron, and then back to Ottawa providing the city a second power source. The additional electric power is definitely needed. Without the additional capacity, future growth of the City would be hampered.

 **AT&T** has been working to add additional fiber optic lines through critical bottlenecks in town to keep up with the demand.

 In addition, the City continues its work to keep its own facilities up to

date.

 The **Wastewater Treatment Plant** improvements were completed and the plant opened to full capacity in this past year. All systems are operating well setting us up for years to come.

 We are also beginning the process to address the **Combined Sewer Overflow** situation. In large rain events, some of the old sanitary sewers can’t keep up and overflow to the rivers. This happens only a few times each year during very hard rains. Responding to EPA mandates, the City

will be working to severely limit these overflows to only the rarest of heavy rain events. The cost of this work will likely total over $15 Million. Our current plan is to spend about $1 Million per year until the work is complete.

**Electric Aggregation**

 By referendum in the spring, the citizens of Ottawa approved moving forward with an aggregate purchasing program to secure lower electricity rates for eligible residential and small business customers. The City Council then entered into an agreement with **Integrys** to administer the aggregation program, and we are very pleased with its performance.

 This optional program provides a guaranteed electric rate for those that enrolled. Ameren continues to deliver the electricity and continues to bill customers for delivery charges and all charges from Integrys.

 To date the electric aggregation program has saved Ottawa residents approximately 28.8% since it started. Collectively, Ottawa residents and small businesses saved $397,000 for the months of July, August and September, 2012.

 This might be a good place to mention the city recently increased sewer rates. In order to finance the **Combined Sewer Overflow (CSO)** project I mentioned a few moments ago, sewer rates are up about $12.00 a month. Hopefully the electricity savings will offset this increased sewer fee for most citizens.

**Broadband**

Perhaps the most significant infrastructure project in decades, important to businesses and individuals alike is the Broadband project.

 Last year, I reported on the nearly $69 million in federal, state and local grants which were received by Northern Illinois University for the purpose of laying a 900 mile fiber-optic network throughout northwestern Illinois, including LaSalle County and the City of Ottawa.

 I noted that a not for profit organization, Illinois Fiber Resources Group or iFiber, had been formed to administer the grant and oversee the building of the fiber network which will bring high speed, unrestricted broadband access to this area.

 You have probably seen the results of the broadband project around Ottawa during the past two months as the fiber conduit is being laid through the City and even underneath the Illinois River. The final phase of construction is now underway with the conduit being laid from the network to its final recipients – public bodies such as the City Hall, schools and libraries. After the grant funding network is complete, iFiber partners, including various local ISP providers, will begin working towards expanding services to private businesses and residents using the iFiber as the backbone.

 The project seems to be on target for completion next year.

 We are very pleased to see this progress as the City of Ottawa was the original proponent of bringing the fiber optic network and the enhanced broadband access to LaSalle County.

**Central Intermediate School**

 Finally, while a school is much more than the infrastructure of its building, an educated citizenry is a prerequisite of a health local economy. One of the most satisfying events of the past year was the opening of the

new Central Intermediate School on the high and dry south side of Ottawa.

 Not only is this a beautiful state of the art educational facility, the unique means of financing the building with assistance from the federal and state governments along with local tax payer and private sector support makes it symbolic of the partnership ethic which makes Ottawa so strong. The new Central Intermediate School will be the home of outstanding educational opportunity for Ottawa students for many generations to come. All of this private and public investment in infrastructure provides the backbone of future development, and shows, I think, a confidence in that future.

**DOWNTOWN AND THE GARDENING AND BOTANICAL ARTS BRAND**

 We believe downtown Ottawa to be the heart and soul of our community. With this in mind, the City during the past few years has been placing a good deal of emphasis on its improvement. Our rationale is twofold. First, the combination of attractive, well-preserved and restored historic buildings together with beautiful plants, trees and flowers creates a kind of ambiance – a pleasant, positive atmosphere which causes people to want to visit, shop, work, do business and even live in downtown Ottawa. In addition, especially in recent months, representatives of companies

considering investing somewhere in Ottawa have told us they were in part attracted to the City because our downtown is active and vital and full of people.

 This approach seems to be paying off as more and more businesses want to locate in the downtown. In a decade we have transitioned from a downtown with a 40% - 50% store vacancy rate to one approaching full occupancy. Currently, at least 13 new businesses have just opened their doors, are in the process of opening their doors or wanted to open their doors if they could find a location to lease or purchase. In fact, the diminishing availability of retail space is becoming a significant challenge. Of course, this increased business activity is also helping to support the growth in sales tax revenue and enhancing real estate values.

 Following is a listing of some of the recent business activity we are seeing in the downtown:

200 Block of West Main Street

* **Didough’s Pretzel’s** – new store opening soon in historic building with restored windows.
* **Woody’s Refinishing and Restoration** – under new ownership in historic building with restored windows.
* **Café on Main** – under new ownership – features home cooking with fresh ingredients.

200 Block of West Madison Street

* **Computer Spa** – new location, new façade, beautifully restored interior and second floor residential space.
* **Arcade -** **O-Nett Game Arcade**
* Two new restaurants are seriously considering locating on this block.

Court Street

* **LaynaBella’s** – affordable, urban chic for juniors, men and women along with shoes and accessories in an incredibly renovated store space.

600 Block of Columbus Street

* **Zeller Inn** – with its incredible bar is under new ownership
* **Former billiards parlor** has been renovated by Bob Paglis with great looking restored large display windows.

600 Block of LaSalle Street

* **Larry’s Barber Shop** – Larry Thomas brought his father's barber chair back downtown in a historic building with restored windows and new outside metal staircase.
* **Bianchi’s Pizza** – new historic period façade and attractive signage for the “world’s greatest pizza”.

700 Block of LaSalle Street

* **Blue Beaker** – new location and expanded business in beautifully restored historic building.
* **Designed for You** - relocated in the old Blue Beaker store
* **Chic Boutique** – a new store with a wide variety of woman’s accessory items.

800 Block of LaSalle Street

* **Rock Paper Scissors** – a colorful new store in the 807 Building filled with educational games, books, toys, puppets, art classes and more for children.
* **IV Cellular** – consolidated its store near Wal-Mart with downtown store which features new windows and awning along with remodeled interior.
* **Avante Garden** – coming soon to the former Montgomery Ward building.

Washington Square

* **Aussem Dogs** – outdoor stand next to the popcorn wagon serving delicious Chicago-style hog dogs.

North LaSalle Street

* **Ramza Insurance** – a very nice job of renovating the former Butternut Thrift Store in order to expand its business.

Lafayette Street

* **Farrell Chiropractic** – a very attractive job of redoing the Knudsen Building to house Dr. Dan Farrell’s practice.

**Downtown Festivals**

Downtown festivals and events help bring the downtown to life and attract visitors and their dollars to the city.

 The **Midwest Morel Fest** again featured a good-sized crowd and made a profit despite an early May lack of morels in the woods due to the very early Spring. A special thanks to The Bone Collector for its sponsorship and to Heritage Harbor Ottawa for its strong support.

 The second **Ottawa Two Rivers Wine & Jazz Festival** was a success with paid attendance up nearly 25% as 4,000 people enjoyed visiting 19 wineries from around the State, listening to an expanded musical

line-up including famed master of the blues harmonica jazz artist Corky Siegel and savoring whole lobsters provided by the Ottawa Noon Rotary. A special thanks goes to Larry and Karen Kiest of LMK Technologies for their sponsorship along with the Illinois Grape Growers and Vintners Association and the Heritage Corridor Convention and Visitors Bureau.

 By the way, both the Morel Fest and Wine & Jazz Fest, along with our popular Saturday **Farmers' Market** dovetail nicely with our botanical arts gardening brand.

 Special efforts were made this year to reinvigorate **Riverfest**, one of our oldest festivals. All vendors this year were from Ottawa and a special "Chef's Block" was featured in the Jordan block. A very generous sponsorship by Exelon allowed us to upgrade the music lineup. All in all, attendance and ticket sales were up and a good time appeared to be had by all.

 Once again, the Ottawa Downtown Merchants sponsored a wonderful **Ice Odyssey**, and just last week **Scarecrow Festival**. Both events continue to grow and attract large numbers of people to the downtown.

 Another long standing tradition, the **Festival of Lights Parade** and celebration rounded out the year.

**Illinois River Road National Scenic Byway**

 Ottawa is a Gateway City of the Byway and its northernmost city. The Byway actually begins at Washington Square where the very attractive and long-awaited Byway Kiosk was finally installed. The kiosk directs visitors to the Ottawa Visitors Center and the many nature and historical attractions in the Ottawa area.

**Illinois Valley Community College Ottawa Center**

 The city is proud to host the only satellite campus in the 88 year history of IVCC right here in downtown Ottawa. Purchased and renovated by the City of Ottawa, the Center was leased to IVCC in 2010. In just its first two years of operation, the Center has served 2,400 students. Remarkably, Ottawa students planning to eventually attend a four year university may earn their first two years of college right here at the IVCC Ottawa Center with hardly having to leave Ottawa, and at the same time saving potentially tens of thousands of dollars

**Reddick Mansion**

 Undoubtedly the most historic treasure in Ottawa is the Reddick Mansion. This unique example of preserved Italianate architecture contributes greatly to the ambiance of downtown. Improvements to the mansion including roof repairs, chimney removal and the installation of a major skylight long removed were joint efforts by the city and the Reddick Mansion Association. The Mansion and grounds are becoming popular places for receptions and photo opportunities for brides and grooms.

**AMERICA IN BLOOM**

 One of the most positive programs in the nation at the moment may be the America In Bloom National Awards Program. It is a program with the potential to grow a community’s volunteer base in the process of beautifying the community and improving its quality of life.

 It is the only program of its kind that provides on-site, one-on-one coaching by a team of expert judges.

 I am pleased to announce that the City of Ottawa is already in the process of organizing a strong entry in this national competition. We have been able to sign-up two enthusiastic and hard-working volunteers as the Co-Chairs of our Ottawa entry which we will be calling the **Ottawa In Bloom** campaign.

 Stephanie Stacy is the owner of Garden’s Gate Nursery on Dayton Road east of Rt. 23 on the north side of Ottawa and Melissa Ruvalcaba is well-known to this group as the former Assistant Executive Director of the Chamber of Commerce.

 Stephanie and Melissa have already been to the 2012 National AIB Symposium and Awards Program a few weeks ago in Fayetteville, Arkansas and have returned with many exciting ideas and a lot of good contacts.

 I attended this same event a couple of years ago in St. Louis and returned believing this to be a perfect program for Ottawa. Not only do we have in place many of the pieces needed for a strong entry, Ottawa will be able to utilized its strong volunteer tradition to help make our City an even better place to live.

 We are also very fortunate to have secured the support of a great Ottawa corporate neighbor which is providing a $10,000 grant to underwrite the Ottawa In Bloom campaign – International Titanium Powder (new name Cristal Metal).

 Two AIB judges will be visiting Ottawa next June or July. They will spend a couple of days here and will review all of Ottawa – not just city properties, but businesses and residential neighborhoods as well. One of the most valuable aspects of the competition will be these judges providing a comprehensive report of their findings along with recommendations for improvement.

 The AIB competition will be an excellent opportunity for everyone to put their best foot forward and I challenge residents and local businesses, service clubs and school and church groups, to become involved. Not only will there be many opportunities to volunteer on public projects, but you at home, or church, or school, or perhaps your company, can consider your own beautification project. 2013 will be a great time to move forward with such an endeavor.

 Let me also note that because AIB is sponsored by the national horticulture industry, an entry is an outstanding way to build awareness about the Ottawa downtown Gardening and Botanical Arts Brand.

 You will be hearing much more about Ottawa and America In Bloom but in the meantime, I encourage you to check out the AIB website (www.americainbloom.org).

**RESIDENTIAL DEVELOPMENT**

 This past twelve months saw the construction of 14 new residential units in Ottawa, the majority of them at Heritage Harbor.

 Benefiting from a considerable amount of infrastructure work done last year**, Heritage Harbor** **Ottawa** has been able to make steady progress during the past year. A highlight has been its new vacation cottage neighborhood – The Cottages at Heron’s Landing. The first seven vacation cottages are expected to be built by the end of this year. Some of the owners have been willing to rent their cottage to overnight and weekend guests – an activity which bolsters the City of Ottawa hotel-motel tax collections and supports Ottawa tourism efforts. A 4 unit Row Cottage Townhome building and several single family homes were also constructed this year.

 But clearly the largest residential development this year is the 60 unit **Ottawa Senior Housing** complex being constructed by the Stough Group on Champlain Street.  When completed, this development will offer 48 one bedroom and 12 two bedroom apartments to senior residents.

 All in all then, 74 new residential units were or are being built this year, a tenfold increase over only 7 units built last year.

**POLICE**

 The Ottawa Police Department continues to maintain its long-time standing as one of the most professional and progressive law enforcement agencies in the area. The department continues successful programs such as the Peer Jury, aimed at keeping young, first time offenders out of the juvenile court system, and newer programs such as the Department’s Child Abduction Response (CART) Team, intended to create quick, structured

investigative and search process meant to bring endangered children home safely. On September 14, 2012 Chief Brian L. Zeilmann concluded his 25 year with our department. Brian started his career on July 13, 1987. He worked his way through the ranks and ended his career after serving 9 years as the Chief of Police. We wish Brian the best of luck in his retirement.

 Captain Brent Roalson, a 16 year veteran of the Ottawa Police Department, was promoted and appointed to Chief. We look forward to working with Chief Roalson in his new position.

 Corporal David Hallowell was selected and most deserving of our 2012 Officer of the Year award.

The City continues to assign two Ottawa Officers to the Illinois Law Enforcement Alarm System (ILEAS) Mobile Field Force. ILEAS is a law enforcement mutual aid program that allows Illinois law enforcement agencies to provide mutual aid assistance in times of need through the provision of officers and/or equipment across the state and elsewhere. The ILEAS Mobile Field Force (MFF) is a specialized unit designed to provide rapid, organized and disciplined response to civil disorder, crowd control or

other tactical situations involving the distribution of pharmaceuticals from the National Strategic Stockpile, weapons of mass destruction incidents as well as other more conventional events. It’s basically a platoon of specialized police officers of various ranks, from various departments that train and deploy together in times of need.

 This year, Officer Garry Johnson and Corporal Jeff Bangert, Ottawa’s appointments to the ILEAS Mobile Field Force, deployed to Chicago, Illinois for crowd control during the NATO. conference and were placed on standby recently for the Republican National Convention.

 The Ottawa Police Department also continues to show its greener side through the continued successful support of the Prescription Pill and Drug Disposal program, or P2D2. The department provides a site where they may be dropped off for safe disposal, no questions asked. To date, the department’s P2D2 drop box has collected **more than 3,000 pounds** of prescription medications from the public; medications and chemicals that otherwise may have ended up in our landfills, groundwater, waterways, and eventually, drinking water.

 The Ottawa Police Department, consisting of 35 sworn officers and 8 telecommunicators, strives each and every day to be the most professional and dedicated police agency in La Salle County.

**FIRE**

 Fire Chief Jeff Newbury oversees the operations of the 29 member Ottawa Fire Department.

 With new hiring criteria in place and the continued education of our personnel, I am proud to announce that Ottawa now offers an Advanced Life Support-Paramedic Service, providing a better and more advanced service than in the past.

 The department currently has twelve (12) licensed paramedics and four (4) more firefighters waiting to take the state paramedic certification test. We anticipate hiring three (3) new firefighters who will be paramedic qualified. This should soon give the department 19 paramedics. These paramedics are licensed through the Illinois Department of Public Health and maintain their training in cooperation with OSF St. Elizabeth Medical Center.

The department recently purchased a third ambulance to provide a new service to the community. We now provide non-emergency and inter-facility transfers. By the way, this new service was started one month ago. The new ambulance is fully equipped and can be used as a third emergency ambulance if needed. We believe the non-emergency transfer fees will make this new service self-sustaining.

 In addition to responding to 2,500 medical calls per year and approximately 450 fire calls, members of the fire department train both in the field as well as the classroom to enhance their skills and capabilities*.* The department has begun the construction of a new training site located on the west side of the town in the former Advanced Asphalt property. This site will give fire fighters the opportunity to experience more hands on firefighting training. The site will also allow the city to reduce training costs by having pertinent training props at a local site.

 Ottawa Fire Department has been proactive in training its members to respond to County or Statewide emergencies as members of MABAS (Mutual Aid Box Alarm System) Division 25. Four members serve on the Hazardous Materials Response Team and six members serve on the Technical Rescue Team.

 The department continues to partner with industries within our area to train for emergency events. We recently had a disaster drill in cooperation with International Titanium Powder, Ottawa Fire Department, and MABAS division 25 Hazmat Team, OSF St. Elizabeth Medical Center to test everyone’s response and capabilities in an emergency. We also have one Captain and one firefighter, through training and interview process, qualify for the State of Illinois Urban, Search and Rescue team. This is an asset of MABAS-IL and serves as the State of Illinois’ Urban Search & Rescue (US&R) Taskforce #1.

 The Fire Department participates in Fire Prevention and Education activities in the community which include visits to the schools, to clubs, and fire extinguisher training for various organizations. The OFD Public Education Programs extend beyond school age children and reach out to all members of the community. Fire and fall prevention programs for the elderly are offered at local assisted living facilities. Local businesses have capitalized on fire extinguisher and evacuation drill training. The OFD makes regular appearances at local safety fairs and community events like

Scarecrow fest, making contact with over 200 children at each event. The Ottawa Fire Department is one of the few fire departments in the area to offer an Office of the State Fire Marshal Junior Fire Setters Program. This enables the department to address children who may have been involved in behavior that not only endangers the child but our community as a whole.

 The fire department has recently upgraded all of the emergency response vehicles with pre-emption devices that coincided with the replacement of the traffic control lights in downtown Ottawa. This allows vehicles to travel more safely and quickly through intersections while responding to emergencies.

 The Ottawa Fire Department in cooperation with the city's building and zoning department, is taking a more active role in code inspections. Currently the Fire Chief has begun a review and update of the city’s Emergency Operations Plan. In cooperation with all department heads and City officials this will insure the city is following FEMA’s requirement for NIMS (National incident Management System) compliancy.

**WASTEWATER**

 The City's Wastewater Treatment Plant rebuild was completed last winter and is in full operation.

 Personnel are focusing their efforts to locate excessive storm water getting into our sanitary sewer system . As many of you know, during heavy storms we sometimes have flooding problems in the Mason Street area. City workers have placed 8 flow meters on the South Side to monitor flows. We have also smoke tested in this area.

 There are 9 more meters throughout the City

 The city has started work alone Birchlawn area to confirm sanitary and storm flows in preparation for our first phase of addressing the combined sewer overflow problem.

 Our crews continue maintenance on 23 lift stations across the city, this year replacing 2 pumps at the Ottawa Avenue lift station that were 55 years old, repaired the pump at the river crossing lift station, constantly

cleaning sewers, cutting roots, removing excessive silt, sand and grease in over 90 miles of sewer.

**WATER**

 This past spring the city water crews installed water main on Adams Street from 4- H Road south to Thompson Street to improve water quality and fire flows.

 Administratively we have converted to new water billing forms replacing the old post cards which increased the amount of room for messages, and gave us the ability to itemize while improving privacy.

 The new folder/stuffer/sealing machine has eliminated manually tearing post cards from larger sheets to simply placing bills in one tray and envelopes in another getting a sealed bill ready for delivery.

 Future projects will include the ability to view and potentially pay water bills online. We are also planning to paint the standpipe on State Street. This will be the last of our three standpipes or towers to be repainted in recent years.

**STREETS**

 In 2012 the city continued its aggressive street maintenance and improvement program.

 The 2012 street program entails resurfacing of 35 blocks of streets, which includes 8 blocks with full curb replacement, and one block, approximately 500 feet of concrete for North 32nd road (by Stoller International). This year's major project was the complete rebuild of Adams Street from McKinley Road to 4-H Road, with for the first time, curbing and sidewalk.

 The funding for these improvements came out of General Corporate funds, Motor Fuel Tax funds, Federal Funds, and TIF funds, totaling approximately $1,850,000:

 $ 400,000 - General Fund

 $ 500,000 - MFT

 $ 480,000 - Federal (Adams Street)

 $ 470,000 - TIF

 **$1,850,000**

 The city also constructed a new salt storage shed at the city garage. The new facility will allow us to store 1,100 tons of salt which will enable us

to procure salt at better prices and should give us capacity to easily get through most winters.

**PARKS AND RECREATION**

The City of Ottawa and its Playground and Recreation Board try to provide recreational opportunities for our citizens in a fiscally sound manner.

**Facilities**

 Safe, comfortable, and convenient facilities have always been a priority for the Recreation Board, and nowhere is this more apparent than the Lincoln-Douglas Complex area. For the second year, Riordan Pool has been under the direction of the Recreation Board. The Board directed the removal of the aging water slide and continued to upgrade facilities by keeping up with needed maintenance, adding amenities like new shower heads in the locker room, and fixing diving board platforms. Additionally, the Recreation Board purchased a device to lower handicapped patrons into the pool.

 The pool was open 77 out of a possible 80 days and hosted many community events such as the All-city swim meet, a city-wide open house,

a family pizza night, and a patron appreciation day. Attendance this year was almost 13,800.

 The Recreation Board also oversaw completion of the pedestrian areas and shelters between the adult softball fields and around Masinelli Field. These areas now provide a secure and comfortable place for spectators to watch baseball and softball throughout the seasons.

 Construction of three new tennis courts in Lincoln-Douglas Park to replace those destroyed by flooding at Allen Park is near completion. On the far east end of the park, a new baseball field and soccer field similar in size to Ottawa High School’s complex, is nearing completion. Fencing has been erected, the infield constructed, the outfield replanted, and soccer goals installed. The board hopes to have the fields ready for use as practice fields in the spring of 2013, and as game fields in 2014.

 With an eye to the future the board is working to improve recently purchased land in the northwest section of the city where a new playground and park are planned. The Board also approved a comprehensive bike path plan and sent the plan to City Council, which also approved it. In 2012 the Recreation board thoroughly inspected all existing parks in order to

develop individual long-range plans for each park. Both the bike path and park plan will help the City score well in future grant applications.

**Programming**

 Just as important as the facilities are the youth and adult activities sponsored by the Ottawa Playground and Recreation Board. This year Ottawa Recreation’s summer youth program offered supervisors at the parks, an Ottawa tradition unique among surrounding communities. The summer recreation program featured nearly fifty camps and clinics teaching skills from art to basketball to bowling to photography to sewing to volleyball to wrestling. Overall, Ottawa Recreation summer activities served almost 3,500 young people. And the Recreation Board continued to work with the dedicated volunteers of the youth leagues in the city insuring that facilities were available for summer sports and that the leagues were run for the benefit of Ottawa’s young athletes.

 Ottawa Recreation’s long tradition of sponsoring outstanding adult softball continued this year at June Gross and Roy Sanders fields. This year 56 men’s teams and 20 women’s teams vied for league championships in the summer leagues, while 24 men’s teams and 10 women’s teams played in the fall leagues. Overall, the city of Ottawa

sponsored a total of 18 weeks of recreational softball over the course of 2012.

 But there is more to adult recreation than softball. Again Jane and Rod Schomas volunteered their time to host dance lessons every Tuesday evening. Roz Sesto of Energy Yoga sponsored a free sunrise yoga class Saturday mornings during the summer. A favorite of our senior citizens, the annual Harvest Dance featuring Class Act is scheduled for October 21 from 2-4 at the Knights of Columbus. Last year’s dance was attended by over one hundred and fifty big band and dance enthusiasts.

 The nine appointed volunteer members of the Ottawa Playground and Recreation Board, its pool director and its recreation director take their responsibilities to the city of Ottawa seriously. Every expenditure is scrutinized to ensure that the board is responsibly adding to the recreation opportunities in Ottawa. Through careful stewardship and foresight, Ottawa Recreation will continue to add to its legacy of providing top facilities and programs for the citizens of Ottawa.

**OTTAWA VISITORS CENTER**

The OVC is reaping the benefits of its botanical ad launch which took place in April, May, June and July of 2012.  Featuring our festivals and advertising in major markets including WTTW channel 11, WGN channel 9

and Fox News in Peoria we have seen an increase in visitors that is anticipated to be 15-20% over last year.  Always looking to the next campaign, Walt Willey of All My Children recently filmed its next commercial set to air spring of 2013.

**SPECIAL EVENTS**

 The Special Events Committee supports and helps with many of our annual events. Starting off this year’s summer season, the LaSalle County Cruisers 14th annual Cruise Night enjoyed great weather and brought in thousands of spectators.

 Groups performing in our “Music In The Park” 12th season included some new names. We’ve received many calls and messages saying this was our “best year ever” choice of musicians. This was the first time that all of our performers asked to set up and play inside shady Washington

Square rather than on the stage on Jackson Street….this seemed to be a move that was most appreciated by the bands as well as the audiences throughout our extremely hot summer.

 The annual Founders Day Picnic welcomed over 200 of our senior citizens in late July for an afternoon of great food and entertainment. Working in conjunction with the Ottawa Downtown Merchants team, the Special Events Committee was pleased to be able to help sponsor their annual Scarecrow Festival in September and Ice Odyssey in December. The “Festival of Lights” parade the night after Thanksgiving once again brought a huge crowd to downtown Ottawa to participate in this nearly 30 year old tradition travel up LaSalle Street and encircle the park with some familiar and many new float entries.

 The Committee encourages local groups and individuals to share thoughts on improving existing events, providing ideas for new ones or to apply for funding to help with a public event of their own creation.

 The Special Events Committee sincerely thanks the hundreds of volunteers who help organize, promote and work at the many events offered each year making sure there is always something "special" to do in Ottawa.

**EAST SIDE RESIDENTIAL HISTORIC NATIONAL REGISTER DISTRICT**

Following the 2011 historic building survey on Ottawa's east side the Historic Preservation Commission applied for and received a Certified Local Government (CLG) grant to prepare an application to designate the east side neighborhood as a National Register Historic District. The draft of the application should be ready for the Historic Preservation Commission to review in the next few months, with the application to be submitted to the National Park Service next spring.

**CITY FINANCES**

**Budgeting**

 The city again adopted a balanced budget this past April for the fiscal year beginning May 1. The city's total budget this year is about $35 million. The General Corporate budget, which basically is the fund that runs the city, with the exception of the water and wastewater department, is about $13.6 million, which is very close to last year.

 As you might expect, providing the city services we do takes a lot of people and creates a substantial payroll. However, this year payroll numbers remain constant, meaning any significant pay increases were out

of the question. For the third year in a row the city's appointed staff received no pay increases and the AFSCME union and fire fighters union agreed to a one year pay freeze. We are very close to approving an agreement with the police union which is also essentially revenue neutral. My thanks to all city employees for their patience and cooperation in tight fiscal times.

 Probably the most significant step the city took this year to control spending was to restructure our city's debt. Taking advantage of current low interest rates, the city refinanced approximately $10 million of debt which will save the city nearly $860,000 in interest payments over the life of those bonds.

 As for revenues, the city's revenue streams are pretty much where we predicted. Real estate tax receipts are down slightly, while sale taxes remain steady and even increased slightly.

**Health Insurance**

 Next to salaries, health insurance for employees is the city's second largest single expense item. Beginning in 2009 Blue Cross Blue Shield of Illinois has processed claims for our self-insured healthcare benefit. That

change provided the employees and taxpayers of Ottawa a financial reward, as we were able to either maintain or reduce the premium equivalents in 2010, 2011 and 2012. Healthcare claims typically follow a 24 to 36 month up and down cycle, and the cycle is now climbing back up the hill. This year we were able to hold administrative costs to a 2% increase, however with an increase in overall claims of $300,000, the premium equivalents effective January 1, 2013 will reflect about a 12% increase.

**Grants**

 During the past year the City of Ottawa has been very fortunate to receive nearly seven million dollars in grants – almost all of them involving federal rather than state funds. Credit needs to be given to the work of our partners at the North Central Illinois Council of Governments - now headquartered right here in Ottawa – for assistance with many of these grants. These projects allow us to take on special projects that would be very difficult to finance out of the General Corporate fund.

**Central School Buy-Out -- $2 million**

 Received through the federal Hurricane Ike Flood Recovery Program, Ottawa will use these funds to purchase and demolish the old Central School building abandoned for the past four years since it was closed by flooding in September, 2008. The funds will also be used to mitigate any environmental concerns found on the property.

 As the Ottawa Elementary School was determined by federal regulation to have reached its limit of federal funding, only a token $1 of this grant will be used to purchase the building. Instead, the City of Ottawa will purchase 16 acres of Illinois Riverfront property – including the Central School building – from the Ottawa Elementary District for $375,000 in a transaction completely separate from the $2 million grant. The $375,000 will come from a TIF account.

 While there are a significant number of floodplain and environmental challenges to address, the Central School property is spacious with a beautiful river view and many mature shade trees. It is well suited to be recreational and park area, premiere festival space and perhaps for certain types of development.

 **Fox River/Flats Buy-Out -- $914,000**

 Another grant funded by the federal Hurricane Ike Flood Recovery Program has provided the City of Ottawa with $914,000 to purchase and demolish eight houses in the Fox River Flats area. Recently, the City was informed that an additional four houses which are now located in the flood plain which has been expanded by FEMA the original grant application was filed may also be eligible for buy out and demolition grants.

 In any case, the $914,000 grant will result in the adding of two full city blocks to the already existing beautiful Fox River Park. This activity represents the end of a larger Flats buyout program begun in the mid-1990’s.

**Ottawa Industrial Park EDA Grant -- $2 million**

 In the Fall of last year, the U.S. Economic Development Administration awarded the City of Ottawa a federal grant of nearly $2 million to be used to expand and improve the Ottawa Industrial Park. This 50-50 $2 million grant will need to be matched with another $2 million provided by the City of Ottawa. The City is seeking another grant to cover a good portion of this match.

 These funds will be used to acquire additional property, to extend another rail spur to the industrial park, to extend water and sanitary sewer services and to construct roads and retention ponds. Completion of this $4 million project will position the Ottawa Industrial Park to handle an expected expansion of International Titanium Powder along with the development of downstream companies which use titanium as a major ingredient in their manufacturing processes.

**USEPA Brownfield Assessment Grants -- $400,000**

 For more than 150 years, Ottawa as been a regional center of commerce and industry. As a result, it is difficult these days to locate new businesses throughout much of the City without encountering environmental reminders of olden times when environmental concerns were not a priority. Given this situation, the awarding to the City of Ottawa of $400,000 worth of brownfield assessment grants is very important. These grants provide the City with the financial ability and flexibility to quickly investigate the extent of environmental concerns with almost any given prospective business location. To date these funds have been used to do assessments at IVCC Ottawa Center, Jordan Block, including the upper and lower parking lots, Advanced Asphalt site, the future north side Hollywood park and the Peltier Glass site.

**LaSalle County Public Transportation -- $1 million**

 With the LaSalle County Board relinquishing its ability to start a system of public transportation in LaSalle County, the City of Ottawa has stepped forward to assume this responsibility. While the process of organizing the system has been challenging, we continue to move forward with the assistance of approximately one million dollars in annual federal and state transportation grants. During this process, we have verified the existence of a tremendous demand for public transportation by seniors, the disabled and the general public. A system of public transportation for

everyone in LaSalle County will bring more people to Ottawa for shopping, health care and county governmental business.

**Energy Conservation -- $8,250**

 The City of Ottawa has moved to improve the energy efficiency of the City Hall and Fire and Police Station buildings with the assistance of more than $8,000 in grants from the State of Illinois. These grants were used to upgrade the energy efficiency of the lighting and HVAC systems. They were matched with a $31,000 investment by the City. At current energy rates, the City will realize a 23% annual energy usage saving with the payback for the cost of the project being just a little more than seven years.

**Emerald Ash Borer Management Plan - $12,500**

 Since its accidental arrival in the United States from China in the mid-1990’s, the Emerald Ash Borer (EAB) has killed at least 100 million ash trees – many of them in the Upper Midwest and threatens to kill virtually all of the estimated seven billion ash trees in the United States. The presence of the EAB has been confirmed in the City of Ottawa.

 With this in mind, the City sought and received a $12,500 grant of federal funds administered by the Illinois Department of Natural Resources. This grant was matched by $15,000 in cash and in-kind services by the City and used to develop a master EAB management plan. Major provisions of the plan cover an inventory of all the ash trees on public property, the removal and replacement of infected trees and the treatment of prominent, non-infected ash trees. The inventory used GIS technology and identified 908 ash trees – considerably fewer than originally thought as previous city officials apparently learned from the Dutch Elm Disease epidemic and diversified the Ottawa urban forest.

**Illinois Valley Commuter Rail -- $395,000**

 A number of years ago, the ten cities along the old Rock Island Railway and the Interstate 80 corridor from Peru to Joliet came to together to launch a study of the possibility of reestablishing commuter rail service along this route. A feasibility study was done which successfully established the potential of this concept. Now, with the assistance of $395,000 in federal and state grants, the next phase of study has begun. At the recommendation of IDOT, this likely two year study will be a comprehensive study of a number of transportation modes – including rail and bus – and will also include the examination of an additional transportation route from Ottawa to the City of Aurora. While the dream of restoring public transportation from the Illinois Valley to Chicago will be a very long time in being realized, it continues to move forward.

**Tennis Courts -- $102,000**

 As I mentioned earlier the City has virtually completed the construction of three United States Tennis Association approved tennis courts in Lincoln-Douglas Park.

 These were funded primarily with an $82,000 grant from FEMA along with a $20,000 grant from the U.S. Tennis Association and will replace the flood-ravaged courts which used to be in Allen Park.

**Historic Preservation -- $107,000**

 One of the many attractions of the City of Ottawa is its historic architecture – both downtown and throughout its residential community. During the past year, two significant grants were used to support this heritage. First, was a $101,000 grant of federal energy conservation funds

administered through the State and the North Central Illinois Council of Governments. These funds were used by the owners of historic buildings located within the Ottawa Downtown Commercial Historic District to install energy efficient windows, insulation and HVAC systems – sometimes in concert with the City of Ottawa Façade Improvement Program. Eight buildings were able to make use of the grant funds.

 Last year, the Ottawa Historic Preservation Commission authorized and supported a survey of the historic residences on Ottawa’s east side. This survey was successful in establishing the potential for the east side being placed on the National Register of Historic Places as a Historic District. The City has since received a $6,300 grant from the Illinois Historic Preservation Agency for the preparation of the application to the State and U.S. Department of the Interior for Historic District status. The application is expected to be submitted in the Spring of 2013 and Ottawa will have its second National Register Historic District, the first being the downtown commercial historic district designated last year.

 Finally, just yesterday we received notice from the Illinois Clean Energy Foundation of the award of another $3,350 to be used for the

energy upgrades at city hall and the police and fire station that I mentioned a few minutes ago. That grant puts us just under the $7 million mark.

**RECAPITULATION:**

Central School Buy-Out $2,000,000

Fox River/Flats Buy-out $ 914,000

EDA Grant for OIP Unit 2 $2,000,000

USEPA Brownfields Assessment $ 400,000

LaSalle County Public Transportation $1,000,000

Energy Conservation $ 8,250

Emerald Ash Borer $ 12,500

Illinois Valley Commuter Rail $ 395,000

Tennis Courts $ 102,000

Historic Preservation $ 107,000

 Illinois Clean Energy Grant $ 3,350

 **Total $6,942,100**

 The city also has several major grant applications pending, including Illinois Transportation Enhancement Project Grants (ITEP) for both downtown Columbus Street improvements and for rewatering of a segment of the I & M Canal. We also have a USDA Rural Development grant pending for streetscape improvements in the 200 block of West Main Street.

**VOLUNTEERS**

 Finally, last but not least, I would like to recognize the hundreds of volunteers working on city projects throughout the community. Whether planting trees, weeding and watering flower beds, repairing a shelter, volunteering at a festival, working a cleanup day, your efforts help make Ottawa the great community it is. Perhaps more accurately, you make Ottawa the great place it is.

 There are also hundreds of men and women serving on city committees, boards and commissions. Many of them spend incredibly long hours making important decisions affecting the lives of many people. Our Civil Service Commission and Fire and Police Commission, for example, make decisions regarding testing, hiring, promoting and, sometimes, discharging employees. A job many people would earn a substantial salary to do. Others help create the vision and guide the future direction of the city, like the Plan Commission. Some, like the Playground and Recreation Board, also administer significant budgets each year. Others volunteer groups are task oriented, assigned a specific project and they get the job done.

 All of you have made my job easier. I receive so many compliments about how the city looks, and the opportunities it offers. In almost every case they are really talking about the work of citizen volunteers.

**CONCLUSION**

It's been a good year. I continue to enjoy being Mayor and appreciate the privilege of doing so. The next few years will offer some great opportunities as we welcome new employers, review our master plan, envision a new riverfront, and "burst into bloom."