



STATE OF THE CITY ADDRESS
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To the Citizens of Beloit and Our Neighbors in Greater Beloit:

As we reconsider the past year it is common for us to engage in a review of the past year and to measure our known results with anticipated plans from one year ago. For Beloit, 2007 has proved to be more exciting and successful than had been optimistically anticipated. Economic development continues at a remarkable pace. Specifically, two substantially new industrial buildings are under construction in the Gateway, a multi-purpose industrial building is under construction on the new Sager Lane in the I-90 Industrial Park; and the exciting new Kerry Americas Headquarters and Research/Development facility is already under construction at the I-39/90-I-43 interchange. When completed in 2008, the Kerry facility will include over 250,000 square feet of space, employing more than 500 people, including transfers of approximately 250 new employees to the Greater Beloit area. The design of the facility will transform the appearance and vitality of this crucial artery into the city.

In the City's Center, First National Bank has added to and improved their building at 413 State Street; we are in the process of relocating the lawyers that previously were there. The new Ace Hardware store is also under construction on Broad Street, with an opening anticipated for early spring; Walgreen's will soon begin the construction of their third Beloit store at the intersection of Broad Street and Park Avenue. CVS Pharmacy also continues their search for a Beloit City Center location, and will hopefully have a new store under construction next year. Several new retail centers have opened downtown and the Vision Beloit Center which houses Visit Beloit, the Chamber of Commerce and other significant agencies is another splendid reuse of a previously abandoned downtown building. All of this new activity in our City Center contributes to the ongoing momentum of the last several years.

With the addition of these large scale industrial and commercial projects, it was anticipated that these improvements would add considerable value to the city's TIF districts, as well as the creation of hundreds of new jobs. Our projections were dwarfed by the actual results. In fact, the growth and value of the City's TIF districts increased by over \$95,000,000. That single year's growth, combined with other ongoing growth, provided an overall increase of 10.94% in the City's assessed equalized valuation, the highest in all of Wisconsin.

At the same time, the City continues to invest in ongoing neighborhood and park improvements. Street improvements have occurred throughout the city, including St. Paul and Wisconsin Avenues in the City Center and Shopiere Road from Cranston Road to the interstate. After many years of effort, a viable use for Fairbanks Flats has been found in the partnership with Gorman & Company, a Madison developer with an impressive track record in developments of this sort.

The city's beautiful riverfront was further enhanced with the replacement of two mid-lawn pavilions and upgrades to the existing tennis courts. Once the Ace Hardware store moves to its downtown location, the existing site will be demolished in anticipation of additional park amenities. The City's efforts at enhancing its "look" and overall quality of appearance were validated by the "Bloom" competition, which resulted in Beloit winning first prize in competitions against several other high-quality cities of comparable size from across the country.

These accomplishments did not come without a price. Budget preparations proved more difficult as the City prepared for its eighth straight year without an increase in its State Shared Revenue. The first debt service payment for the new Library was also included in the 2008 budget, which resulted in some increase in the City's tax rate. Fortunately, due to a substantial increase in State aids to the School District, the total tax rate for Beloit property owners will decrease again this year.

In tallying the pluses and minuses in 2007, we would be remiss if we did not mention one of the largest losses sustained by our city in decades, meaning the untimely passing of Ken Hendricks. Ken came forward for Beloit when we needed it most. Ken became prominent locally in the 1980s at a time when Beloit Corporation was faltering and our other industrial giants were downsizing. At a time when the city needed a boost, not just to its economy, but to its site, Ken provided an amazing impetus to our future. Ken appreciated people who were resilient, who worked hard, and tried to get along with others without putting on airs or living off the good fortune of another person's hard work. I think Ken appreciated these qualities in Beloit because he possessed these same qualities. Beloit's resilience will be tested again, but we are now fortified by Ken's example and his past confidence in us. The grateful city again thanks Ken for his momentous and seemingly providential help.

The inevitable future set challenges will have to be met but are no worse than those which we have had before. The past years have shown improvement in nearly every reasonable and measurable aspect of city life. We have made it a goal to make this city the best diverse midsize post-industrial city in the country, and I think we are on our way to accomplishing that fact. The process is lengthy and is difficult but attainable with the efforts of future administrations, future councils and those voters who keep the rest of us in business.

Terrence T. Monahan
City Council President