



CITY OF CLEVELAND
Mayor Frank G. Jackson

**Vision, Courage & Boldness –A Cleveland State of Mind:
Deciding our Future and Building on our Accomplishments**

7th Annual State of the City Address
Mayor Frank G. Jackson
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Public Auditorium

Vision, Courage & Boldness –A Cleveland State of Mind: Deciding our Future and Building on our Accomplishments

Good afternoon.

I'd like to acknowledge Cleveland City Council President Martin J. Sweeney, all of the members of Cleveland City Council and all elected officials. I'd like to recognize members of my Cabinet, city employees, members of the clergy and the business leaders who are here today.

Thank you for coming.

Today, the State of the City is financially stable with indicators of economic growth. Cleveland is a city that is redefining itself through investments in both economic development and quality of life. And we are well positioned for the future.

Our future will be one where Cleveland:

- Has appropriate financial reserves and operates within the revenues projected for the year, without the need for one time funds;
- A future where we are more efficient in our operations and provide high quality services;
- A city that offers an excellent quality of life for every resident, business and visitor;
- A city using investment opportunities strategically, to grow the economy and connect residents and businesses to prosperity;
- A city with a priority on educational excellence for all students, from pre-k through college. A City that recognizes that education is the key to our success.

This will only happen with a strategic plan that is being implemented, because the best plan you have is the one you are doing. Cleveland is becoming the Cleveland of the future because of the work that is being done today – work that I set out to do when I became mayor. Here are the results so far.

City Finances

The work begins with the City's finances. I spent the first few years as Mayor stabilizing the organization. Costs were rising and revenue was not keeping pace. We began doing more with less and as a result, we trimmed costs, increased efficiency and improved service delivery.

Last year, state budget cuts of \$38 million forced a reduction of expenses throughout city operations, resulting in layoffs and reductions of service. This year's budget of \$507 million, however, restored services at our recreation centers and playgrounds. It accelerated the call back of 20 police officers from layoff and it will

provide for enhanced public services for the anticipated increased activity when the Casino opens this May.

It includes an increase in funds for Building & Housing to inspect every vacant property in our City this year – a necessity due to the national foreclosure crisis – despite the fact that we’ve spent \$42 million since 2006 to demolish nearly 6,000 structures.

Finally, the budget includes a 3% pay increase for city employees, as required by collective bargaining. I want to thank all of my employees for forgoing wage increases for the past two years and the collective bargaining units for agreeing to this condition to help us out of the recession.

These service restorations and enhancements are possible because we stretched last year’s state budget cuts over 19 months rather than 12 months and we collected higher than expected revenue in 2011, including:

- An additional \$9.9 million in income tax and \$3.2 million in license and permit fees due to construction activity; and,
- An additional \$2.3 million as a result of an enhanced collection of fees for service.

While revenue generated by construction activity cannot normally be sustained year after year, it did allow us to save our Rainy Day funds and revenue from the sale of city assets, providing a much needed reserve. These reserves are very important as we look ahead to 2013, when we will have a \$9.3 million increase in the Browns Stadium debt service and a 27th pay period – we usually have 26 – at a cost of \$13 million to the general fund. The reserves also help strengthen the City’s fiscal outlook, support our credit ratings and help determine our ability to issue bonds.

Cleveland’s economy is showing signs of growth but we must continue our strong and conservative budget management to achieve our goal of not having to use one-time-money and spending no more than what we take in during the year beginning in 2014.

Operations

In 2006, the City began efforts to increase operational efficiency and become more productive. Those efforts are continuing. Last year:

- We streamlined operations by merging the Department of Public Service and the Department of Parks, Recreation and Properties into one Department of Public Works;
- We reorganized the Department of Public Utilities to improve customer service and increase accountability;

- We hired a turn-around team to fix systemic customer service and billing problems in the Division of Water, and refocus this Division on its core mission: delivering great water at a fair price; and,
- We began the integration of the Divisions of Fire and EMS to improve service delivery.

This year, we are implementing a new performance management and accountability system and focusing our employees on our core mission of high quality customer service. With this service-oriented philosophy, and our record of strong financial management, we are building Cleveland for the future. Our neighborhoods will be stronger, quality of life will be better and we will have an environment of certainty for business and development.

Economic Development

Companies and developers are investing in Cleveland.

The developments that are under way today are offering a glimpse of Cleveland's future. As you arrived today, you saw the ongoing construction of the Medical Mart and Convention Center. The Casino will open in May. The Greater Cleveland Aquarium is open. The Flats East Bank development, a new Courtyard by Marriott in University Circle and, the Campus Village Project at Cleveland State are all under construction.

Businesses from around the country and around the region see Cleveland as a good place to invest. Rosetta, a national firm, moved to downtown Cleveland, bringing 351 employees. Calfee, Halter and Griswald chose to keep its 300 employees downtown. AmTrust Financial will move 1,000 jobs to 800 Superior Avenue after investing \$20 million in the property. And, the Midtown Technology Park is attracting a mix of technology and medical businesses.

These businesses and others are coming to Cleveland and staying in Cleveland in part because we are investing in the future, including the tens of millions of dollars being invested at Cleveland Hopkins International Airport. Our airport serves as an economic engine for the region. It supports thousands of jobs, including the employees of our United Airlines hub, which I am encouraging all of our regional businesses to support.

Investing in our airport supports a much broader economic agenda. Cleveland's economic agenda is forward-thinking, encourages responsible business practices and includes the City as an active partner in pursuing the economy of the future.

The proposed Cleveland Recycling and Energy Generation Center will reduce our cost of doing business, increase revenue to the City, create jobs by increasing recycling and converting our remaining waste stream into electricity.

Cleveland Public Power will take 20% of the energy generated by LEEDCo's proposed offshore wind farm, reducing our dependence on coal-produced power. The

project will position Cleveland as a national leader in an emerging industry that has the potential to employ thousands in the manufacturing and the installation of wind turbines throughout the Great Lakes.

These efforts are representative of the goals of Sustainable Cleveland 2019, an initiative that is transforming our economy into a sustainable economy that:

- Will purchase goods and services locally;
- Is less susceptible to the fluctuations of the national economy;
- Capitalizes on growing green and advanced technology industries; and,
- Encourages sustainable business practices and responsible resource management.

To reach these goals, we have developed a plan that focuses our efforts on particular industries. This year, our focus is on the Local Food industry, building on the fact that Cleveland has more than 60 acres under cultivation.

This focus on Local Foods lines up with the centennial celebration of the West Side Market. This year, the Market is a focal point for the International Public Markets Conference. Cleveland beat out cities like London and Seattle to host this conference because of how attractive Cleveland is as a destination.

Major investments over the past 20 years, including our sports venues, E. 4th Street, the Warehouse District, the Rock Hall, the Great Lakes Science Center and Playhouse Square, have helped Cleveland become a unique and world-class destination and are a major part of why:

- The Rock & Roll Hall of Fame and Induction Ceremony will take place in Cleveland next month;
- The United States Marine Corps chose Cleveland for its 2012 Marine Week;
- Cleveland will host 1,000 athletes this July for the Ohio Senior Olympics and 14,000 athletes next year for the National Senior Games; and,
- Cleveland will host the 2014 International Gay Games, and more than 13,000 artists and athletes from around the world.

Cleveland is becoming a world-class destination – for events, tourism and visitors. With the work of Global Cleveland, we will become a world-class destination for investment and residents.

A major part of the future that I envision for Cleveland includes attracting this type of international attention. But it is vitally important that our neighborhoods receive just as much attention – and offer a quality of life that rivals the best neighborhoods anywhere.

Neighborhoods of Choice

Early in my administration I re-instated the City's 5 Year Capital Plan to guide the City's investments in our neighborhoods. Since 2008, the City has spent \$161 million through general obligation bonds on streetscapes, park improvements and other capital improvements. This year, we plan to spend \$38 million on various projects, including Fleet Avenue which will become a multi-purpose right-of-way that serves pedestrians, transit riders, bicyclists and motorists.

We also know that because of years of deferred maintenance, there is a need to invest in City facilities. I will be working with our Finance Director to determine how we can create an additional bond issue, backed by a portion of our annual casino revenue, to finance up to \$50 million to repair City facilities in our neighborhoods.

Neighborhood investment supports retail, the arts, entertainment and small local businesses. Here are some examples.

- Last fall, we broke ground for The Shops at Garrett Square in Glenville, which will bring a Save-A-Lot grocery store, a Forman Mills store and nearly 100 jobs.
- On the near west side, infrastructure and streetscape improvements have supported the Gordon Square Arts District, leading to dozens of new small businesses and hundreds of jobs.
- The streetscape improvements and new electrical infrastructure in Kamm's Corners resulted in seven new retail establishments; a thriving farmers' market; and, a \$77 million dollar investment by the Cleveland Clinic at Fairview Hospital.

Every dollar we invest in our neighborhood is an investment in our future. But we must make certain that we invest in the people who live in our neighborhoods so that a high standard of living is the norm for everyone in Cleveland.

Our Community Relations Board, the Cleveland Division of Police, the Peacemakers Alliance and other partners are investing in young people and helping youth have a positive future.

We are working in partnership with U.S. District Attorney Steven Dettelbach and various law enforcement agencies to reduce gun violence in Cleveland neighborhoods by targeting selected neighborhoods and repeat violent offenders.

Safety is not just about fighting crime. Fire safety and emergency medical service are essential to quality of life. In 2011, we lost three lives to fires. While any loss of life is a tragedy, three deaths are the fewest number of fire fatalities the city has experienced since we began keeping records. Last year, EMS staff provided blood pressure, cholesterol and glucose testing for more than 17,000 citizens and provided CPR and AED training to another 4,700 people.

Additionally, Healthy Cleveland – a partnership between the City of Cleveland, Cleveland City Council, the Cleveland Clinic, MetroHealth, University Hospitals, and the Sisters of Charity Health System – is designed to increase the overall health of our community by focusing on nutrition, exercise, smoking cessation, and youth violence as a public health issue.

The work we are doing every day is having a real and positive impact on our community. Cleveland is able to provide quality service and is financially stable. We are improving neighborhoods, rebuilding our economy and moving towards our future – a future when Cleveland will be a city with no more east side and west side, but a city facing the Lake with everything emanating from the Lake – truly one city.

To get there, we must connect our investments, the numerous nodes of activity throughout our city and our people in a way that we are all moving toward that future – together.

Group Plan, Downtown Lakefront Plan and Community Benefits

This connectivity is embodied in the Group Plan.

Formed in 2010, under the leadership of Tony Coyne, Chairman of the City of Cleveland Planning Commission, the Group Plan is fundamentally a plan to connect people to downtown Cleveland in a way that helps people find their place in the revitalization of the City. Foremost in this plan is the transformation of Public Square into a single, unified park. This, along with the mall improvements, will make Cleveland a more pedestrian friendly and a more sustainable city.

The Group Plan also seeks to link the economic vitality of the central business district to the lakefront. The Lakefront Plan proposes 3.5 million square feet in new development and builds upon existing infrastructure in a way that encourages recreation and entertainment along with commercial maritime activity and economic development. Funding has already been identified for the \$1.7 million transient marina in Northcoast Harbor and the \$5.7 million pedestrian bridge that will connect Dock 32, east of the Stadium, to Voinovich Park.

With the Flats East Bank development, the question of whether or not Cleveland can develop its waterfront has been put to rest. The only question now is: What's next?

Last year, I stood with the Cleveland Browns when they indicated their intent to be a catalyst for private development of the lakefront. The Browns are working to secure the commitment of the Cleveland Clinic, the Cleveland Indians and the Cleveland Cavaliers to join in exploring the feasibility of a jointly-branded sports performance, physical therapy and wellness facility on the lakefront. While this proposal is still in the conceptual stage, it would build upon existing assets, complement the work of the Group Plan and drive additional private development.

To further support private development of the lakefront and downtown Cleveland, the City seeks to leverage current investments through tax-increment financing – or TIFs to help support the cost of public infrastructure and help reduce overall development costs.

The Group Plan and the Lakefront Plan will redefine Cleveland physically, reorient downtown and connect people with nodes of activity. And they will help create the Cleveland of our future – a city that is vibrant and alive 24 hours a day, connected by the lake. Our future, however, is about much more than buildings, businesses and capital improvements. Cleveland’s future is about people and their ability to benefit from the investments we make.

There is a reported \$7 billion in development either under construction or in the planning phase in Cleveland. To make sure that development also adds value for Clevelanders, we are working towards a Community Benefits Agreement to create a “pipeline to employment” for residents and connect local businesses with construction opportunities and contracts for goods and services.

The Group Plan, the Lakefront Plan and the Community Benefits Agreement are significant steps towards securing Cleveland’s future and making Cleveland a city where prosperity and quality of life are inclusive of everyone. But the place where quality of life and prosperity starts is education.

Education

Of all the things I have talked about today, education is the one thing that has the greatest potential for redefining Cleveland and positioning Cleveland and the region for a sustainable future.

Each year, I end the State of the City speech with a discussion on education and about what our community should do to create educational excellence. This year is no different except for the fact that I will talk about the decisions and actions that I and others have taken to achieve educational excellence for our children.

Last year, 15 Ohio colleges and universities signed the Higher Education Compact of Greater Cleveland. I launched this compact with the help of the Cleveland Metropolitan School District, College Now, The Cleveland Foundation, the George Gund Foundation, the Greater Cleveland partnership and more than 40 other organizations.

The Compact will focus our efforts on: readiness indicators to better ensure that students are prepared and more likely to be successful; access indicators to help students receive all the financial support they are entitled to; and, persistence indicators to better position students to complete courses and graduate with a degree on time.

Our many partners are working on the indicators that are relevant to them. The School District's focus is on readiness – ensuring the District's children are prepared to be successful in higher learning and successful in employment.

To help ensure our students are prepared, last year, we created the Ninth Grade Academy. Nearly 100 students from 12 school districts in Cuyahoga County participated in the program that offers an intense academic and life skill curriculum. The curriculum will be offered again this summer and in addition, we will be working with partners such as College Now to provide college readiness and career awareness interventions.

I'd like to thank State Senator Nina Turner, the Educational Service Center of Cuyahoga County, PolicyBridge, Cuyahoga Community College and the Cleveland school district for their commitment to this program, for developing the curriculum, finding funding and making it happen.

These are two examples of how we begin to create educational excellence. However, if we are to be truly successful, we must have systemic change to address systemic problems and recognize that educational excellence comes in different forms from different systems.

I am working towards systemic change with Cleveland's Plan for Transforming Schools. It is a comprehensive, child-centered plan that addresses every aspect of how we educate our children.

I know that there are those who have special interests in education, each with their own constituency, whether they are public schools, charter schools, democrats, republicans or collective bargaining units.

My constituency is our children. My purpose in working to transform Cleveland's schools is to better educate our children and give them better opportunities in life.

I'd like to take this time to thank all those who have worked with me and spent a lot of time and effort to create this plan: the business community; the foundations; the school district; and, the charter schools. Also, I'd like to acknowledge the input I've received from the Cleveland Teachers Union.

The Cleveland Plan for Transforming Schools is focused on high quality education and we have considered both the academic and financial aspects of creating high quality education for every child.

Academically, the plan focuses on closing low performing district schools and reprogramming and re-staffing those schools for success. It creates partnerships between the school district and high performing charter schools. It seeks to prevent the start up of low performing charters schools.

The plan also promotes a legislative agenda that addresses seniority, compensation, evaluation, employment and termination in a way that reduces bureaucracy and increases our focus on educating children.

Financially, the plan recognizes the need for a more sustainable budget, a levy in November of this year, and calls for the sharing of levy proceeds with high performing charter schools with which the district partners.

We know that we have little or no chance of passing a levy if people are not convinced that they can and should expect a better educational outcome. So we need both the academic and legislative parts of the plan to be approved and move forward so that the public will know that their approval of a levy will ensure systemic change and lead to educational excellence.

This is a plan that addresses the need for academic and budget sustainability. Without both, we will be in academic receivership and financial bankruptcy. Without both, the result will be no public school system, no collective bargaining unit and educational mediocrity, leaving our children with no hope and a city without a future.

With both academic and financial sustainability, we will triple the number of students in high performing schools in Cleveland over the next 6 years and we will improve the educational outcome for every child in the City. In doing so, we will secure Cleveland's future and offer our children hope for the future.

A few years ago, I talked about the need to invest in Cleveland not only with our money, but with our attitudes. We are seeing the signs of change and we can see a good future ahead of us. But it will only happen if we have the courage to continue towards that future and not let this opportunity pass us by.