

March 31, 2010

Mayor Mark Stodola

State of the City Address

Thank you, Vice Mayor Gene Fortson for that gracious introduction. To my distinguished colleagues on the Board of Directors, to City Manager Bruce Moore, to City Attorney Tom Carpenter, to Consul General Andres Chao and to all of the city staff here today, as well as all of the Little Rock citizens gathered here, let me welcome you to the venerable City Hall of Little Rock; at 102 years old, a most appropriate location for the State of the City Speech as the decisions made in this building both past, present and future define us as a community; how we live and how we continue to work to make our city an even better place to live for our children and grandchildren.

This is also my opportunity as Mayor to reflect on the significant achievements of the past year; and to provide a vision for how we will continue our progress in making Little Rock the next great American City in the South.

Indeed, we have accomplished a lot and have received many accolades, but there is still much to do in making sure we are improving the lives of all our citizens!

Economy

The tumultuous 2009 economic recession has affected everyone – not just in this city, but our state, and our nation. Indeed, the nations of the world. It has affected both public and private sectors alike, so we should not be surprised our 2009 revenue stream shrunk by \$6,000,000. Not having the luxury of a Federal Reserve to print money and having the discipline and legal requirements to develop a balanced budget, we did the responsible thing: we tightened the belt, made operational cuts; found it necessary to lay off 19 (check) employees, and made cuts in valuable programs. However, we maintained and improved the most basic of our responsibilities, Public Safety. So far our revenue receipts for 2010 are tracking our revenue projections. March 2010 sales and use tax collections are a mere \$69,089 dollars to the good.

It is a common perception with the public that there is always room for more budget cuts – certainly our responsible stewardship as public servants

demands that we look under every rock for waste; that we zealously look for more operational efficiency.

So what is our track record on employee growth over the years? It is very good and quite remarkable.

In 1995, some 17 years ago, the City hired 1,537 employees through our basic General Fund. In 1998, that number grew by 225 to 1,762. Since then the number of employees has progressively declined to the number we have today of 1,542 employees, a net gain over 17 years of five employees.

Because of this, we have fared better than most urban cities in the country.

Atlanta, Memphis, Austin, Philadelphia, all cutting hundreds of jobs out of their workforce, many proposing to raise taxes in the midst of a recession.

The city sales taxes of the 50 largest cities in the state and other cities in our region have, as a percentage, anywhere from 100% to 300% more of a local tax rate than the City of Little Rock.

Little Rock's city sales tax? ½ of 1%!

Been that way for 16 years, since 1994!

I have been very vocal in my protest about raising taxes in the midst of a recession; when people are losing their jobs or are worried about losing their jobs. I also believe it is not good public policy to consider asking our people to raise taxes just to get us back to a point where we were before this recession hit us – however, at some time in the future, if we want our city to be all that it can be, and if we want it to be a city where people are dying to move in to, rather than move out of, then we, with firm promises and commitments to our citizens with specifics focused on the areas of Public Safety; Public Works and Parks should ask our citizens if they want our city to be more than it is today. To do that we will need additional revenue streams. Now I am not advocating a referral of a sales tax vote in the midst of a recession, but a dialogue needs to ensue on what additional revenue streams are available to us under Arkansas law.

To be sure, we are still in a recession. However there is a slight glimmer on the horizon. The Dow Jones Industrial Average rose 46 points on Monday and broader indexes climbed after the Commerce Department announced consumer spending rose for the 5th straight month – this, however, is only a

.3% gain, but as such it has at least raised some economists' hopes that the economy is continuing to rebound very fragilely.

Job creation, the other main driver of determining whether we are slowly recovering, is predicted to increase for March, only the second time since the recession began in December 2007. The advances on Monday extended a run of incremental gains since early February, which researchers have defined as a "slow steady grind higher" of the nation's economic situation.

Here in Little Rock our year end unemployment rate was 6.5% compared to Arkansas's unemployment rate of 7.6% and the nation's 9.7%. This is refreshing news, and is further evidence of how well our city is weathering the recession.

How does our city compare with others? Consider this: Since January of 2007, when five of us joined the Board as newly elected or appointed officials:

- Over \$1 billion dollars in new capital investment has been made in our city
- This investment in new and expanding businesses has created over 3,200 new jobs

- Resulting in a new payroll of \$114,792,570!

Of the \$36,500,000 awarded in Pulaski County from the Governor's Quick Action Closing Fund and the Economic Infrastructure Fund, Little Rock has received \$31,875,000!

Both new businesses and expansion of existing businesses have benefitted.

The economic development announcements have been so numerous, that we often forget how many there have been:

LM Glasfiber – \$17.6m

Dassault Falcon Jet - \$3.8m

Welspun - \$3.25m

Allied Wireless Communication Corp. - \$5m

Verizon - \$1m

AT&T - \$300k

Novus - \$200k

Hawker Beechcraft - \$250k

Super Marine - \$175k

Sage V Foods - \$150k

Fidelity - \$150k

Thus, it is no wonder that our economic success and the stability of Little Rock has been recognized nationally numerous times in 2009.

Little Rock has been named:

- America's Second Best Bang-for-the-Buck City, *Forbes.com*
- Forth Strongest Economy in the U.S., *Business Week*
- Sixth Most-Livable, Bargain Real Estate Market, *MSN Real Estate*
- Ninth Strongest Housing Market, *Forbes.com*
- Top Ten in Projected Hiring, *Manpower Employment Outlook Survey*
- 16th Best Place to Raise a Family, *Children's Health*
- 22nd Best Place for Business, Careers, *Forbes*
- 23rd Best Performing Metropolitan Area, *Milken Institute*, and
- One of the Top Ten Smaller Markets in South for Foreign Investment, *Southern Business and Development*

Being the fourth strongest economy during a recession, the likes of which we have not seen since the Great Depression, doesn't just happen. Being the sixth-Most Livable City in the Country, and being the 16th Best City in the Country to raise a family doesn't just happen. It is a direct result of our economic partnerships with the state AEDC, the Little Rock Metro Alliance,

the economic development arm of the Chamber of Commerce and the public services your city government provides to its citizens.

I would like to spend some time talking about those city services:

PUBLIC SAFETY

How are we doing?

- Since January 2007, our homicide rate has dropped a staggering 54%.
We have gone from 59 homicides in 2006 to 27 homicides in 2009.
- Our violent crime rate has dropped 34%
- Our property crime rate has dropped 3% despite the Pulaski County jail often being closed to the repeat burglars and thieves that plague our neighborhoods

In 2009, we saw the second straight year the overall number of felonies reported to the FBI fell below 18,000 to 17,775. This is only the fifth time in 20 years (since 1990) that we have been below the 18,000 mark and our 2009 number is 38.5% below the total reported in 1991. These are tremendously impressive numbers that mayors and city councils would give their eye teeth for. My hat is off to Chief Stuart Thomas and the men and

women of the LRPD. Credit goes to all of them for putting their lives on the line to keep us safe. To be sure we still have hot spots in our city which the department's Crime Analysis Section studies on a daily basis. It is evident Operation Quiet Nights, focusing on violent crimes, Operation Phoenix (focusing on burglaries) and Operation Night Strike are having a positive impact. This is not just good old fashion policing at work. It is also smart, intelligent and sophisticated police work that is making all the difference.

Thanks to the American Recovery and Reinvestment Act, we are adding 20 officers to our police ranks with a Police Recruit School starting in June. That is in addition to 7 new positions funded federally in 2008.

LRFD

Also keeping us safe is our LRFD:

In 2009, the men and women of the LRFD responded to 24,538 incidents, 155 search and rescue situations, 14,690 rescue and emergency medical service incidents, 1,178 hazardous condition calls and 24 severe weather and natural disaster situations. All of this done with an average dispatch to scene time, of 308 seconds. The average response time for emergency medical

incidents was 3.6 minutes. These men and women of our LRFD are real heroes, saving people's lives every single day.

Of particular importance to our fire department is our recent award of over \$2 million in Recovery Act money for a new fire station in West Little Rock. FEMA received 6,025 applications for funding and only 109 were competitively awarded. The station has been long sought after by Ward 5 Director Michael Keck since he was elected to the board in 1994. This station is very much needed for us to maintain our minimum response times and to maintain our ISO fire rating. It reflects the growing population trends in West Little Rock which we have been witnessing for several years.

AMERICAN RECOVERY AND REINVESTMENT ACT

Getting stimulus money funneled down to the local level and put to work is a mission all mayors across the country have been confronted with since its passage in 2009.

I am happy to say Little Rock has fared very well, not only as an entitlement city, but in competition for discretionary Recovery Act funding as well. To date the city has received \$61,645,328.

These monies are funding:

- the I-430/I-630 interchange improvements, reducing traffic congestion in West Little Rock
- the construction of the South Loop overpass and the reconstruction of Scott Hamilton Road, both projects long-desired by City Director B.J. Wyrick
- We have awarded \$682,000 for Homeless Prevention and an additional \$446,000 in CDBG funding over what we normally receive.
- Almost \$2 million is being spend to upgrade police computer systems and our 20-year-old incident reporting software.
- We have built 62,872 square feet of sidewalks. This equates to 14,000 linear feet or 2.7 miles of sidewalks throughout the city – This has been a high priority for City Director Erma Hendrix whose Ward One, being the oldest, is the most in need.
- The 9th Street Extension, funded by EDA monies, is under contract as are the necessary right-of-way acquisitions. It will soon proceed to construction and provide safe and improved access to the Dassault Falcon Jet facility and its 2,000 employees at Little Rock National Airport.

- Our Energy Conservation Block Grant project, for the nearly \$2 million received, has been approved. We will be retrofitting our municipal buildings with energy efficient HVAC systems, installing LED lights and distributing CFL light bulbs to our citizens, working in an educational collaboration with our schools; the Mayor's Youth Council and City Year.

NEIGHBORHOODS

As I have stated before, the character of a city is defined by its people and the various neighborhoods that we call home.

I am so very proud of City Director Joan Adcock and City Director B.J. Wyrick. When Neighborhoods USA lost its conference site for 2010. These two public servants stepped up and said give us the job again – we did it in 1996 and will do it even better in 2010! With ample help from City Manager Bruce Moore and Housing and Neighborhood Programs Director Andre Bernard, who sits on the NUSA Board, Little Rock will be hosting over 1,100 neighborhood representatives May 26-29 at the Little Rock Statehouse Convention Center. They have put together a stellar program involving over 60 workshops, accenting citizen involvement, and with participation by 3

federal agencies; the National Park Service, FEMA, and HUD. Nineteen neighborhood tours are planned – illustrating the wonderful neighborhood diversity of our city.

One of the most significant neighborhood developments occurring is reflected by the NSP monies Little Rock has received. I can not over estimate the importance of this program, it can be truly transformational over the next 3 years for some of our most fragile and distressed neighborhoods.

Collectively, \$12.2 million has been committed to acquire abandoned and foreclosed properties in the heart of our city.

The Arkansas Development Finance Authority is funding \$1.8 million in NSP I monies which will go to rehab or build new infill houses on 50 tax foreclosed properties.

The LR Housing Authority is spending \$1.8 million for new infill properties in the Stephens School area and on vacant properties north of Central High School; and the City, along with its consortium partners. Habitat for

Humanity, Better Community Developers, a/k/a BCD; and the LR Housing Authority have been competitively awarded \$8.6 million to do 100 houses in Census Tracts 10 and 13. These neighborhoods are bordered by Elm Street on the West (near the W. Hinton NRC); I-630 on the north, MLK Boulevard on the East and 18th Street on the South. Little Rock was one of 500 cities who competed for these monies. Only 56 applications received NSP II monies. Of this number only 22 were cities. Additionally the Land Bank Commission has nearly \$300,000 available for property acquisition, quiet title actions and other activities necessary to facilitate the redevelopment of distressed or abandoned properties. The Commission acquired 8 properties in 2009; initiated a lien foreclosure process, developed a property inventory process and donation procedures. Sensitive to the architectural character of our neighborhoods, a City-wide Preservation Plan is underway along with the survey and creation of the Dunbar Historic District, which will accent the rich history of one of the first predominantly African-American neighborhoods in our city.

We should break ground on the long-awaited Midtown Police Sub-station on 12th Street this summer. The 12th Street Redevelopment Plan, under guidance from City Director Ken Richardson is complete and the location and

construction of the Children's Library in War Memorial Park-South is further evidence that Midtown is on the rebound. This injection of public funds is stimulus itself. Coupled with UALR's University District Plan and the ultimate location of a high-tech Research Park within five minutes of both UAMS and UALR, these initiatives all forecast great redevelopment possibilities for the neighborhoods in these areas.

I should also mention the multi-million dollar redevelopment plans of St. Mark Baptist Church and the Park Avenue development in Midtown, both of which are coming out of the ground.

They say patience is a virtue and this is certainly true for City Director Stacy Hurst, who has been helping to guide the Midtown Advisory Committee, which assisted in the overall redevelopment plan for the old University Mall site. I know we are all as excited as she is in seeing the walls of a new Midtown Target store going up, the store is slated to open up in October of this year.

Likewise, Stacy and I have exhibited a fair degree of patience with the redevelopment of War Memorial Park. When Ray Winder Field is actually

conveyed to UAMS in July of this year, the City, with Park Revenue Bond proceeds included, will spend in excess of \$2 million in the Park. In addition to expanding our Park acreage south of I-630, new entrances will be built; trails will be created; the fishing pond will be enlarged, Coleman Creek will be improved, a children's playground and water feature will be developed, open playing fields will be developed and tennis courts will be re-located adjacent to the Dailey Fitness Center.

The Zoo, also located in the Park, will have completed \$1.65 million worth of improvements with the Penguin Exhibit opening, hopefully on Labor Day weekend, Sept. 4. City Director Brad Cazort, a longtime advocate of the Little Rock Zoo, is very proud that we are making good on a promise made 10 years ago to provide additional capital improvements to the Zoo. As you may remember, a baby chimpanzee was born at the Zoo in 2009 and a naming contest was conducted. There were several of us on the Board who wanted to name the chimp "Brad" but in the end the name "Kendi" won out!

I also want to give out a patience award to City Director Doris Wright who has long advocated for the continued development of the West Central Ball Complex to include the development of a Community Center. This past year,

we have acquired additional acreage for the park and additional access to the Complex off of John Barrow Road as requested by Director Wright. We continue to plan for the Community Center Development as we search for the capital and operating funds necessary for its completion. Director Wright has been a passionate advocate for the citizens of Ward 6 and has developed a host of activities that has made the Ball Complex a great place for sports and recreation.

In Riverfront Park, where City Director Dean Kumpuris' steady hand and fundraising prowess has been at work, we will dedicate "La Petite Roche" on May 26th and soon break ground on the Bill Clark Wetlands Habitat.

I would be remiss if I didn't mention that funding to complete the pedestrian bicycle bridge at the Clinton Presidential Center is anticipated to be received this year. Construction is slated to begin this year and is estimated to take 18 months to complete. We applaud the Clinton Center for its efforts and appreciate the patience exhibited by all concerned.

Nearly all of the \$7 million worth of Park capital improvements – will be constructed in 2010. This also includes improvements to 14 neighborhood

parks spread throughout the city, reconstruction of the Ottenheimer Community Center, renovation of the Rebsamen Tennis Center, Playground improvements at the Southwest Community Center, a Dog Park at the Animal Village for which we won a prestigious City Livability Award from the US Conference of Mayors, development of the Natural Steps Athletic Fields and improvements at MacArthur Park.

There is no question, the current financial strain on the City's budget places a great burden on the maintenance of our City parks, something we are all acutely aware of. Thus, I want to report to you I have contacted the State Department of Correction and have received their commitment to provide, on a standing request basis, 10-15 inmates as a regional maintenance crew to assist with the periodic clean-up and maintenance of our parks. The DOC is committed to assisting us as often as they can. The work units which you have typically seen at the State Capitol are supervised by armed officers, as these will be. The DOC has also offered to tear down any commercial structures that have been condemned by the city for their salvage value, so we will see about using them for that service also.

Also this year, I will be initiating a “Volunteer Park Ranger” program, asking our citizens to volunteer to adopt a park, thus becoming additional eyes and ears of the City. This will be of great assistance to us in keeping on top of our maintenance issues and also in preventing the occasional vandalism which occurs.

One of the challenges not far from Riverfront Park is Main Street, the heart of our city, indeed the heart of Arkansas. While its blood supply has been thin for quite some time, I, along with a dedicated group of volunteers are committed to stimulating and providing multiple transfusions into Main Street that will bring it back to life in a vibrant and exciting way.

Following a 3-day workshop by the Mayor’s Institute on City Design last fall, where over 100 property owners, developers and interested citizens participated, we created, along with the Downtown Little Rock Partnership, a Main Street Revitalization Task Force, led by Contractor Bob East and myself. Several sub-committees have been formed and work is under way. A marketing survey has been conducted, an inventory of existing structures and their significance has been documented, a Safety Committee has been formed, security cameras have been installed, a beat officer patrols the area

and a draft ordinance is being reviewed, which prohibits the sale of single serving alcohol. A Streetscape Committee is recommending changes and improvements. Active negotiations and development plans are underway on at least four buildings on Main Street and I am confident we will be holding press conferences in the near future to announce specific redevelopment plans.

THE BASICS

In 2009, our 311 Call Center received 95,569 calls for service. This is over 12,000 more calls than the year before. They resulted in 125,150 service requests. This equates to over 2,400 service requests a week, or stated another way, 60 service requests per hour, each day for 52 weeks. A great percentage of those calls were for sanitation pick-ups; several were also reported for city code violations. To be sure, we are making improvements in these areas but we know we can do better. Personnel changes have been made and we are insisting that our code officers are becoming much more proactive, giving warning notices and issuing citations without having to have first received a complaint. Their own personal observations as they patrol their neighborhoods looking for code violations should be the standard which governs their actions. A clean neighborhood is a proud

neighborhood – we can no longer tolerate broken windows and crashed in doors, mattresses on the sidewalks and trash strewn all over the curb.

The Great American Clean-up is happening on April 24 with several Little Rock neighborhoods participating. Our weed lot crews are ready for the summer growing season. In 2009, the city cut 929 weed lots, up from 641 the year before. 77 vacant and unsafe structures were demolished in 2009, up from 21 structures the year before and 101 vacant structures were boarded and secured in 2009 up from 85 the year before.

As you may recall, working with our courts, I called for a substantial expansion of our Community Punishment Program in 2007. It has continued to grow in many regards. A total of 6,995 workers participated in the program in 2009, an increase of 878 participants over the year before. A total of 55,960 hours were worked by people assigned to work off their punishment by laboring for the city. That is the equivalent of 27 full-time employees. The program has greatly benefitted our neighborhoods with over 195 tons of debris and litter removed and transported to our landfill. The workers have also helped our Parks Department with over 1,680 hours of free labor contributed to park maintenance.

We still have more challenges ahead. This year, the City in conjunction with the National League of Cities, will be developing and highlighting how we can attack the serious problem of Childhood Obesity. In January, I attended an NLC workshop on the issue. Upon returning, we formed a consortium of interested parties, including the School District, the Department of Public Health, our Parks and Recreation Department and various interested non-profit agencies, including the Clinton Center, which has made this a priority. Over the next several months, we will be developing and rolling out various programs and activities highlighting how to fight this epidemic.

Another challenge facing the City involves the environment. From fighting to close the BFI landfill in the middle of town, to trying to stop the delivery of frac drillings contaminated with the smell of diesel fuel, to lawsuits for damages, to administrative orders recommending an extension of their operation past a previous closing date, Vice-Mayor Gene Fortson has been strong and resolute in his efforts to protect the adjacent neighborhoods. Based on his recommendations, an ordinance was passed to prevent the importation of contaminated soil, only to have the courts strike down its enactment. The battle is not over, in fact it has just begun. I want to thank

Vice-Mayor Fortson for his leadership in helping us fight to protect our neighborhoods from an obvious noxious intruder that does not belong in the middle of town.

Our Recycling Coordinator, and the Mayor's Sustainability Commission, continue to advise and make recommendations on how to further "green our city." Currently 35% of our citizens are recycling and we are exploring advancing to single-stream recycling by partnering up with other municipalities in Pulaski County. This would greatly improve the opportunity for increased recycling in office buildings and apartment complexes.

I want you to know I am doing everything in my power to keep the Arkansas State Fair in Little Rock. The tradition of its location dates back to 1946. I believe the tradition should continue, but you need to know the decision is controlled by the Executive Board of a private non-profit corporation. We have met with them several times, offered assistance with local land acquisition and marketing and hired one of the most respected fair and event facility consultants recognized nationally and internationally. The Executive Committee has not made a decision and, despite our consultants' conclusion

that it is not feasible to fund a new location which will cost in the vicinity of \$110,000,000, certain members and real estate brokers seem bent on moving. We hope this will not occur and we continue to constructively try and convince the decision-makers that making improvements at their existing location and acquiring additional land is their best, most logical and financially prudent option.

Two of the most vulnerable populations in our city remain at increased risk during this economic downturn.

First, our young people. Unfortunately, we had to cut the money dedicated to PIT programs to \$2.5 million dollars. This means that some programs, and the kids they serve, lost their funding. While it is our hope that other non-profit programs will pick up the slack, we know that the more money you put into prevention and intervention programs, the more positive the outcomes are for our children. Over 800 teenagers and young adults received a summer job last year, learning valuable life skills. Unfortunately, this year, because of cutbacks in funding, that number will be reduced almost in half.

Our other vulnerable population is the homeless. We continue to fight the NIMBY mentality that inevitably raises its head when specific locations are sought out. We have been deterred, but not defeated. I have explored two possible locations, known only to me, at this time, which may be acceptable. I am simply in need of about \$700,000 to make a Homeless Day Resource Center and an Emergency Shelter a reality. If and when I find the money, more information will be forthcoming and the public will have ample opportunity to weigh in on the matter.

As you may know, the US Census is currently underway and I am pleased to report 50% of Little Rock households have already returned their form. This effort has been spearheaded by our Complete Count Committee, which has reached out to communities across our city. I am appreciative of Consul General Andres Chao and others who have helped us to accurately count for our growing Hispanic community. Those who need a census form can call (501) 255-8111 or visit our website www.littlerockcensus.org.

The homeless volunteer effort exhibited this winter during the cold snap, located in the Nat Hill East End Community Center, was truly heart-warming. I wish every Little Rock citizen could have volunteered for just

one hour; if they had done so, the negative stereotypes of the face of the homeless would have vanished. WE have a moral obligation to help the least of our neighbors, and indeed, they truly are our neighbors.

Finally, let me thank our staff. Thank you Bruce Moore for keeping the ship floating in the right direction on a daily basis, and thanks to all your Department Directors and staff. And thank you Tom Carpenter, our City Attorney and all your lawyers keeping us legal and out of harm's way. I know our dedicated city staff is committed to making Little Rock a great place to live and together we will make Little Rock the Next Great American City in the South.

Thank you for being here today. God bless you and God bless Little Rock.