

**2010
State of the Government Address**

**Delivered By
Mayor Joe Reardon**

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Noon
Jack Reardon Convention Center**

2009 was a year filled with difficult decisions due to the economic crisis which gripped our nation and state. Soaring unemployment... home foreclosures... declining property values... budget shortfalls and reduced services all hit our community. Individuals, families, businesses and governments are being forced to confront harsh realities, make difficult decisions and painful sacrifices. It was a difficult year for the Unified Government and for our citizens.

But it was also a year of continued progress on many fronts... from our dynamic economic development and job creation efforts to our on-going successes in public safety. And as we move into 2010, the Unified Government is called on to change the traditional ways of doing business, now and in the future. We must do this in the best interest of our citizens by ensuring that we continue delivering essential services, while making smart economic decisions... decisions which position our community to seize opportunities and be ready to grow.

Our own history shows us how economic crisis can lead to economic opportunity. Some of our most treasured assets were created in times of economic crisis. Wyandotte County Lake is symbolic of this. A wonderful project born out of a depression era federal program. It is now our signature park. One that I am completely committed to protecting for generations to come.

To emerge from this economic crisis and succeed we must focus on job creation, supporting small business, and investing in our children. That's why we have worked hard to create new jobs across the spectrum from entry level positions in hospitality, to manufacturing jobs that have built our city, to jobs in high tech

growth areas like health care that are becoming an emerging part of our economy.

We have worked hard to support our small businesses so that as they see new opportunities to grow or to focus on sustaining their business we are there as partners. Ensuring that they remain invested in the community and that their workers, our citizens, continue to have an opportunity to lead productive lives.

We have found success and now we must take job opportunity and ensure that it equates to opportunity for our young people. More than ever before our Unified Government must work cooperatively with our educational institutions: our local colleges and our school systems, to make sure our children not only see the new things going on in our city but that they can see themselves as full participants in them.

This must be coupled with our ongoing focus on quality of life – close to the place we call home – our neighborhoods. As citizens we have proven that our collective efforts make a difference in our neighborhoods. Our neighborhood groups, NBRs and Community Development Corporations have all worked so hard at community building and livability.

So this speech today will tell the story of our more immediate past, our successes and our struggles, and it will set out a vision and a focus for our future. And while you will be spectators and observers today – I will ask you to make a commitment to our tomorrow. To be ambassadors and leaders in our effort. Because I believe that what has lead us to success is our willingness to come together and work on our future.

Today, we must be willing to listen and to find those ideas and opportunities we can unite around and work together on. It won't be easy. It's easier to become

polarized. To get lost in the distinctions. To be uncomfortable and uncertain and then to do nothing at all.

But, today I am asking all of you to come together and understand that our future rests with all of us -- all of us putting aside those differences and focusing on the hard work that will provide opportunity and success.

And it is through that lens that I am serving as Mayor. It is with that focus in which we made the tough decisions in our budget last year and will again this year.

It is with that focus that our governing body and our community made a commitment to a development that will bring a new soccer stadium and health care technology business to our county. It is that focus that will create 4,000 health care technology jobs in Kansas City, Kansas and Wyandotte County... leading to Cerner becoming a corporate partner and citizen of our community.

We are weathering the worst economic crisis since the great depression and our community is feeling the full effects of it. But, in the midst of our economic downturn, with 10% unemployment, record home foreclosures, and declining property values, we see rays of hope.

Let me take you back to the beginning of 2009 when it was questionable whether General Motors would continue to exist, let alone whether our Fairfax assembly plant would remain open. Fast forward to today when the award winning cars like the Buick LaCrosse here in the room are being made in record numbers at the Fairfax plant. With the addition of a third shift, 950 jobs have been added at GM Fairfax and the plant is building cars 24 hours a day for the first time in history. We thank those from GM and the UAW attending today and providing the Buick LaCrosse for us to see.

2009 marked the year we were able to take the shuttered Swift plant in our city and reopen it with a \$130 million investment from Sarah Lee. So that in 2010 the new sliced meat processing facility will create over 250 new jobs: a ray of hope to those that are in search of new employment and a more secure future.

2009 saw the opening of a wonderful new preschool in our midtown and a new grade school in the Piper School district. And 2010 will see the grand opening of the Children's Campus in our downtown. We also broke ground on Victory Junction Camp. All of these efforts offer a ray of hope to our children and parents as we collectively work to provide the best of opportunities to the youngest of our citizens and to children from all over the Midwest.

Indeed our collective efforts are leading to opportunities in so many parts of our community. 2009 marked the groundbreaking for a growing small business, Liberty Fruit. Liberty Fruit provides produce to over 1,600 restaurants and retailers in over 7 states. It is a top 25 employer in Kansas City, Kansas employing 250 workers. The expansion at their site in Armourdale will increase their warehouse capacity by 50% and bring new job opportunities. We thank them for attending and sharing a bit of the great products they supply.

And 2010 will mark the first new major retail development in Rosedale in nearly 30 years. With the construction of a new CVS store at 43rd and Rainbow to a new \$35 million hotel, apartment and retail development right across the street from KU Medical Center. In both cases, these new developments not only will put people to work but they fulfill the long-term vision of the Rosedale Master plan. Proving that with thoughtful, collaborative neighborhood and businesses planning, reality can match the vision.

Our health care institutions continue to make investments in our future. Last

summer the University of Kansas Hospital broke ground on a new \$73 million dollar clinical office building at the main campus. And we saw the opening of a new Emergency Room facility and other improvements at Providence Medical Center in the western part of our community. Both institutions received recognition for their quality of care in 2009.

Our long sought after goal of being home to a destination casino resort is just days away from becoming reality. The Hollywood Casino at Kansas Speedway will create thousands of new jobs and bring millions of new tourists to what is already the hottest tourism area in the Midwest. It means an additional investment totaling nearly a half billion dollars in our community.

A word of caution, the Hollywood Casino at Kansas Speedway has been selected, but the project will not be final until the Racing and Gaming Commission completes the background check process. That looks likely on Friday. However, a recently introduced bill in the legislature, Senate Bill 401 proposes changes in gaming finances that could cause our casino partners to think twice. While we certainly want to help the Woodlands, this is the wrong time to re-open the debate over casinos and gaming.

As we have sought to bring new jobs and development to our community we have worked hard to ensure that what we create leads to a fulfillment of our vision and benefits our citizens.

The Cerner/Wizards project, the largest job creation project in our history, acts as a cornerstone of these efforts.

The Cerner development alone will create 4,000 jobs. Jobs in the growing field of health care technology – with an average salary of \$54,000. This

development will create a foundation for us to attract more businesses in the emerging field of knowledge workers.

And while we have been great at attracting manufacturing and hospitality businesses, we are lacking in creating technology and office jobs. Let's look at the slide.

Today, Wyandotte County has a bit over 600,000 square feet of Class A office space. Compare that to surrounding communities.

At completion, the 600,000 square foot Cerner campus will nearly double our Class A office space. Creating job opportunities for our residents today and attracting workers to our community not just to work, shop and play, but to live. New development will occur with single family housing, townhomes and apartments. New consumers will be attracted to our city to enjoy our shopping and entertainment.

And the Wizards, our Major League Soccer team, will call Kansas City, Kansas home with a new state of the art stadium that will not only house their home games but will host special events, tournaments and concerts. Millions more visitors will come to our city to enjoy a great sporting venue and to have great times with their families.

Job creation was not the only objective. We have sought to ensure that local, minority and women owned businesses participate in the project and that prevailing wages be paid on construction.

A job training, internship program will be created in cooperation with our community colleges and school systems – bringing opportunity to reality for our young people.

And while a new tournament soccer complex will be located in Wyandotte County Park, three new soccer fields will be built in our urban core neighborhoods ensuring access to quality facilities for young people throughout the community.

Declining Crime Rate

Quality of life in our neighborhoods is paramount to continued success of our community. Our government has worked to become closer to this neighborhood dynamic in many ways: from the excellent fire, rescue and paramedic service provided by our fire department, to the efforts of our community policing unit and the school resources officers focused on our young people.

Thanks to these ongoing efforts by our citizens and neighborhood groups we have seen a 48% decrease in crime in Kansas City, Kansas over the last 20 years. Yes a 48% drop. Even more significant is the fact that 2009 marked a record low number of overall crimes in Kansas City, Kansas. Since 2007, crime has dropped more than 20% in our city. Yes that's a 20% drop over the last 2 years.

I applaud our police chief and all of our public safety officers who every day are keeping this community safe. I thank our neighborhood groups for their sustained efforts at making our communities rich, vibrant places to live and raise a family.

It is not enough, though, to show you these impressive numbers at this lunch today. I ask each one of us here today to be ambassadors and share this information. The facts speak for themselves: our community is tackling crime and winning. Not just one year. We are not merely riding on the crest of some sort of national trend. Our collective efforts are working. And while we have work to do, the perception is not reality – it is a misperception. We are doing the

hard work on the ground. It is time we carry the message. We have and will continue to make public safety our highest priority and we do it knowing that when we work together we make great progress.

The progress we have made shows that through the struggle of 2009, the best is yet to come. Already in the first 2 months of 2010 building permits for two major projects have been issued amounting to over \$90 million in construction. And with just those two projects – Sarah Lee and University of Kansas Hospital building – we have surpassed all construction activity in 2009. With the other scheduled projects this year, the best is truly yet to come.

We could continue to list accomplishments and continued progress in our community. Equally important, however, is setting out our agenda and vision for the future. That means asking each of you to join with me and our UG Commissioners to collectively forge the path of success for Kansas City, Kansas and Wyandotte County. To focus on our collective vision and the initiatives and decisions we should make to move vision to reality.

Where do we find that vision? Is there a place that we can go to understand it? Is it static or does it grow and change?

Let me start with a document that as much as any helps to define it. Our city wide master plan approved in 2008 and developed through a citizen lead collaborative effort is instructive. The policy section of the master plan summarizes the collective vision of citizens and what ties us together. Among other things:

- A tangible pride in the ethnic and cultural diversity that remains a healthy and significant legacy of our development as a city.

- Satisfaction with the recent success of new development in the western part of the city, and a commitment to ensure equal success of revitalized older neighborhoods on the eastern side. and
- The collective goal to reconnect our youth to a community they will want to come back to in the future.

That collective vision formed by literally thousands of voices throughout our community can and should influence government. The initiatives that I propose today are tied to the master plan and much that has been accomplished through the course of the last year moves that vision closer to reality.

Energy Efficiency and Sustainability

Long in advance of any federal stimulus money, our city wide master plan reflected a community vision centered around sustainability. The master plan listed one of the driving forces in future policy objectives was to:

Utilize our geographic strengths to forge a new example of “Green Stewardship” for urban areas by developing green strategies for our economy, our jobs, our neighborhoods, our transportation, our infrastructure and our resources.

This year with the assistance of economic stimulus funding we will begin to implement this policy objective. Our city is receiving over 1.3 million in federal block grant dollars to focus on energy efficiency and sustainability. 2010 marks the year that we will implement several new initiatives that will directly address energy efficiency for our citizens and put local contractors to work. A new Energy and Sustainability Office will be established to coordinate our internal and external efforts.

The Unified Government will make home energy efficiency rebates available to our citizens when they purchase energy efficient products from a local business. This means if you go out to buy a new refrigerator and make the decision to purchase an energy efficient model, you will receive a rebate to help offset the increased cost of the model and encourage energy efficiency.

Second, to encourage home building that not only looks good but is built to the high standards of energy efficiency, we will be implementing an Energy Star Home grant program. The program will provide a grant to homeowners that purchase a home that is Energy Star certified.

Finally, we are working in cooperation with the BPU to implement a zero interest loan program available to our citizens who invest in energy efficiency work on their homes.

Pending approval from the Department of Energy, these programs are scheduled to be implemented before the end of the year. Starting today, we have created a website for our Sustainability Initiatives. Its: wycokck.org/greenthedotte. Anyone interested in our energy efficiency and conservation programs can go to the website today and register to receive updates.

Urban Core Development Task Force

As we create new jobs and attract new businesses, we need to focus on development in our urban core and support of small business – the lifeblood of our community.

Today, I am announcing the formation of an Urban Core Development Task Force. The Task Force will be charged with redesigning our economic development process to focus on neighborhood development and business

creation in areas of our community that have seen disinvestment or are at risk for disinvestment. This new approach to economic development within the urban core will focus on:

- Job creation
- Stabilization and improvement of neighborhoods
- Creation of new businesses
- Reinvestment in infrastructure; and
- Programs to improve quality of life and health issues

Again, our master plan acts as a guiding document as it calls for:

Work[ing] with the State to upgrade local incentive packages and tools for attracting and retaining businesses and industries. At a minimum, these incentive packages should be designed to make Kansas City, Kansas more competitive with other cities within the metropolitan area as well as across the United States. Incentive packages should be targeted to businesses and industries that create local jobs.

The Unified Government cannot achieve this goal by itself. So today, I am extending an invitation to everyone to join us in this effort. I am calling on the Wyandotte Economic Development Council, our Kansas City, Kansas Area Chamber of Commerce, the Black Chamber and Hispanic Chamber and others to work with us to develop programs and approaches to strengthen small business opportunities and invigorate our support systems for our existing small businesses.

The time is now to develop and implement this new strategy and we can start locally. I am proposing that our NRA program that offers tax rebates to small

businesses that make new investments be expanded and act as a true tool of partnership: making it more responsive to small businesses considering opening or expanding in the urban core.

I will also be meeting with our local Housing Authority to ask them to work with the Task Force to ensure that housing, and particularly public housing be more directly connected with livability and sustainability in our neighborhoods. This effort will require not just government agencies to work together but also neighborhood groups, nonprofits and our faith communities to act as leaders in ensuring that public housing enhances the livability of our neighborhoods.

I also invite our Board of Public Utilities to join us on the Task Force. The BPU is committed to economic development and I am asking them to take their efforts and knowledge and put it to work on developing incentives tied uniquely to investments in our urban core. We should more closely align our economic development efforts with our public utility. It will send a unified message that we are serious about investment in the urban core.

Finally, I am asking the Task Force to develop a legislative agenda to take to Topeka that would give communities with economically distressed areas the ability to fully capture the economic activity associated with job creation. 70 counties in Kansas, more than 65% are seeing economic distress. Wyandotte County currently has 44 census tracts that are identified as economically distressed. We need to ask the Kansas Legislature to work with us to develop new approaches to assist with job creation in the distressed areas of our community and throughout the state. The approach should include the ability to create a small business development fund to provide capacity building in the form of grants and low interest loans. Developing a targeted approach to capturing economic activity in our distressed areas should not only attract new businesses but also support existing ones.

The Budget and Re-engineering Government

Despite the accomplishments we have realized this past year, the economy took a heavy toll on our citizens and on the hard-working employees of the Unified Government who have dedicated their lives to our community in the pursuit of public service.

The national collapse of the housing market caused an increase in foreclosures, a decrease in home sales and a severe decline in property tax revenues. Rising unemployment and slower consumer spending created a dramatic drop in sales tax collections. And the Kansas Legislature, facing its own budget crisis, slashed millions in funding promised to the Unified Government.

Our 2010 Budget is the most challenging the Unified Government has ever faced. We have made difficult decisions to manage our way through this economic crisis while maintaining essential services. Many of our employees have sacrificed with two years of pay freezes, 15 days of unpaid furlough, which amounts to a 4.5% pay cut, and increased health insurance costs. Our workforce has been reduced by 10%, totaling well over 200 employees. I thank our employees for their dedication and willingness to sacrifice. This economic crisis is affecting them every day, every week. Including this week. Friday will be an unpaid furlough for a majority of our employees. They are working harder and doing more with less pay to insure our community continues to receive high quality public services and programs.

Our tough decisions have lead to a real reduction in not just workforce but actual government spending. Over the course of the last two years we have reduced actual government spending by nearly 10 million dollars.

In fact, because of the decline in assessed values, the Unified Government portion of the property tax bill decreased by an average of 7%. We have avoided property tax increases, as a property tax increase now creates hardship on our citizens who are already struggling with their own financial problems. The Unified Government tax rate has been reduced nearly 26% since 1997 and Wyandotte County residents continue to have a lower city/county tax rate than homeowners in Topeka, Leavenworth and several other communities. While I realize some fees have gone up, to date, we are meeting all of these economic challenges without a property tax increase.

And while the commission and I have made tough decisions to reduce this government, we are prepared to do that again in the upcoming budget discussions this summer. But I must tell you that further extensive cutting of government will lead to reduction of services across the board... in every way.

The UG Commission after listening to our citizens unanimously approved an April 13th special sales tax election to ask our voters to consider a 3/8 cent sales tax increase for 10 years dedicated to public safety and neighborhood infrastructure.

The fundamental governmental building blocks for a successful community rest in public safety and the built environment in our neighborhoods. In these challenging economic times, diversifying our revenue, lessening the reliance on property tax, is key. This sales tax will keep us competitive with our surrounding communities and can ensure that we provide quality essential services. It is an investment in our quality of life.

Further, additional sales tax will better ensure that the PILOT portion of the BPU bill is reduced over time. Passing a sales tax today and allowing those outside our community to help pay for the services provided is our best insurance policy to avoid large property tax increases or drastic reductions in basic services.

Let me be clear, our community benefits greatly from the good work our public safety departments provide each day. Passage of this sales tax referendum is the surest way to see to it that we don't miss a beat with respect to public safety.

Due to the economic crisis we have essentially slowed the pipeline of infrastructure projects throughout the city to a trickle. Passage of this sales tax referendum ensures that we will be able to fund infrastructure improvements in our neighborhoods to support our quality of life close to home.

The Unified Government is called on to change the traditional ways of doing business, now and in the future. And this re-engineering of local government will mean all of us looking at new ways to do business; having the creativity and flexibility to take new approaches that can lead to better accomplishments and savings to taxpayers.

This is already taking place in the organization through the important collaborative work of our Jail Population Committee. This committee reformed in 2009 to address our budget crisis. In an extraordinary example of cooperation District Attorney Jerome Gorman, Chief Judge Wayne Lampson, Sheriff Don Ash, Municipal Court Judge Maurice Ryan, Commissioners John Mendez and Tom Cooley, our community corrections and police department staffs came together to address jail population, looking to reduce costs while keeping our community safe. Their efforts have led to savings of nearly \$500,000 and have improved our jail and court services.

Further, this effort is ongoing and is leading to new approaches to alternative sentencing and continued efforts to bring criminal cases to trial in a more expedient manner. In fact, thanks to this effort Wyandotte County is the top ranked large county in Kansas in the expediency of processing an inmate from

our jail to the State Department of Corrections. Every day we reduce this time is a direct cost savings to our taxpayers.

And, I am just highlighting part of the great work that has gone on. Expect to hear more in the coming months and thanks goes out to all of those that continue to do this important work.

Healthy Community Task Force

Focusing on our children and their future is essential to building a strong community. Most recently, the Kansas Health Institute ranked Wyandotte County last in health outcomes in the state. This report is a wake up call to all of us that we need to collectively work to create a healthy community. Among other things, the report cited high levels of obesity and physical inactivity as contributing factors to our low ranking. Further, nearly 1/3 of all children in our county live at or below the poverty line. And while our school districts are succeeding and test scores and outcomes for our children are improving, I believe we need to collectively focus on education and health to take next steps to success.

As we bring new jobs and development opportunities forward we need to ensure that the benefits of those projects address the needs and vision of the community. That's why the Cerner/Wizards project includes creating a training and curriculum program and the commitment to build 3 soccer fields in our urban core.

Today, I am announcing the Healthy Community Task Force: a calling together of our community to work in cooperation not just on the Cerner opportunity but in a holistic way to address the needs of our children and families and the future of the community. Our citizens expect in the current environment that we look for new ideas and ways of working together. I want to ensure that the Unified

Government is a true partner in a collective effort to address the needs of our children.

Also today, I am proposing that the Healthy Community Task Force recommend investing the additional 1% of gaming revenue the casino has pledged for civic purposes to benefit our children and families through a modern community center that focuses on health and education, and the establishment of the Dotte Promise scholarship program. Our citizens expect us to take steps like this that show a tangible investment in our young people today and in their future. The Task Force will be charged with bringing these objectives to reality and to be the hub of these collective efforts. I am certain they will bring thoughtful innovative approaches to the table.

Because, the future of our community is only bright if we begin to focus the light, to take the rays of hope I mentioned and turn them into bright lights of opportunity for our citizens today and most importantly for our children tomorrow. To ensure that the work we have done, the business that are located here, the jobs that are being created, the efforts to make our neighborhoods vibrant livable places, are sustainable – are benefits we receive today and treasures to present to our future generations.

I look forward to working with you over the course of this year to build that community and continue our journey together here in Wyandotte County and Kansas City, Kansas – Where the best is yet to come.