

**THOMAS C. LEPPERT
MAYOR**



**2010 State of the City Address
September 15, 2010
Dallas Regional Chamber Luncheon**

Good afternoon.

Once again, it is a privilege and honor to be here today to talk about the state of our City.

I want to thank the Dallas Regional Chamber for sponsoring this lunch. As a former Chair, I have a special appreciation of both the role and the importance of the Chamber.

Over the last year, while it would be easy to “punt” on difficult issues, the Chamber has taken aggressive stances to not only represent the interests of the business community but, more importantly, the future of our City. Thank you ... you’re making our community much better.

As I begin, I want to acknowledge my colleagues on the Dallas City Council. They are men and women that work hard for the betterment of this City. I would ask them to stand and all of us to acknowledge them.

Last year, I joked with you about my goal as a private executive to keep my name out of the newspapers and off the airwaves and my dismal failure in this new role to achieve that objective. Unfortunately, this year is no better ... I suppose it comes with the territory.

But with, what in my opinion, is far too much exposure, you every once in a while you get one of those times you go -“huh”?

One instance occurred a few weeks ago at Love Field. I was waiting for a flight and, as sometimes will happen, a gentleman started staring at me. He quizzically looked at me and walked by turned directions and then came back, still intently staring. He walked over to his wife. Still staring at me and, evidently, decided to come over me. So he walks up to me and says, “Excuse me, but aren’t you the Mayor... of Houston?”

Well, after more than three years, I can tell you that I am happy and excited to be the **mayor of Dallas**. In these three years, we have made great progress on addressing key issues, faced issues head on, built trust in what this government does and created a future full of opportunities. Today I want to talk about the progress and opportunities, but also discuss the enormous challenges we all, collectively face.

All of us are here because we share a single, simple objective....We want Dallas to succeed...and truly reach its potential.

My belief is even stronger today ... in part because of the progress made but also because of the incredible community that continues to step up ...

- People like Larry James working to find homes and new chances
- Phil Montgomery and Phil Wise initiating new options in education
- Organizations like Habitat “dreaming” of new neighborhoods
- And corporate citizens like AT&T sponsoring the Performing Arts Center, or Oncor, Comerica and Atmos Energy stepping up for this community, with most of those commitments directed at the Southern Sector of our city.

In a small microcosm that’s indicative of what’s happening throughout Dallas – I’ll share four conversations that took place recently in just one hour:

1. The AT&T Performing Arts Center and the way it has transformed our identity
2. The wonder of the Margaret Hunt Hill Bridge and the change of our skyline
3. The new Dallas Zoo and the attendance records set by the Savannah exhibit
4. And the progress of our higher learning institutions ... SMU receiving its highest rankings ever in the 2011 US News and World Report, the Center for Brain Health at UTD and their recognized work in elementary education and the impact on southern Dallas with the new UNT Dallas campus

We all know Cities are important. In 2010, in our country, Cities are where "the action is"....That's where economies are built. That's where the opportunities are. That's where the arts thrive. That’s where we find solutions and that’s where we can really touch people’s lives.

But you know, it seems that you can open the paper any day and see headlines that seem overwhelming at times ... headlines that focus on the political and economic problems facing our nation, this state and our City.

And, yes, there are the headlines about City’s budget. Some of those, perpetuated unfortunately by politics, might even give the impression that our city is falling apart at the seams.

But you see, when you let that kind of news just overwhelm you... that's all you tend to see. That kind of news can cloud one's perspective, one's conclusions and the decisions we make about the direction of our city.

Now, I certainly don't want to diminish the real concerns and challenges facing our city, but when you look at Dallas, you see the inherent strengths and the possibilities that lie ahead and just how strong our city really is in relation to the rest of the county.

You see, I am very optimistic about the state of our city, but I will also tell you... that for the first time since I've been Mayor, my optimism about Dallas has a cautious note.

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One reason I am optimistic about Dallas: Our progress in making Dallas one of the safest cities in America.

The investments that we have made in adding officers on the streets AND in implementing new anti-crime initiatives are having a huge impact.

- Total crime is down 8.5% compared to last year.... That is the seventh consecutive year that our total crime rate has gone down. ... the ninth consecutive year our ***violent*** crime rate has gone down.
- Murders this year are down 5.4%. Last year, 2009 marked the lowest **number** of murders in 42 years, and the lowest murder ***rate*** in 50 years.
- The DPD's summer crime initiative, Operation Triangle was a huge success that literally brought the crime rate down 6 points.
- In the past year, our Mandatory Crime Reduction Program in has reduced crimes such as rape, murder, robbery and aggravated assaults by 41-percent.

That is a record any city in this country would love to have. We for too long were known as "Number 1" and it was our objective to finally get out of that spot. Well, we have and then dropped further and we are continuing to move down the list because of the investments and steps we have taken.

Of course, when you have an organization with 3700 people, there are going to be times when a few take actions that overshadow the good work being done by the rest.

And sadly, that appears to be the case with several officers you will no doubt hear about in the news today and their handling of a chase and an arrest of a suspect.

I can tell you, from what we have heard and seen so far, this kind of behavior is absolutely unacceptable.

There is an investigation underway, and I am confident that once it is complete, Chief Brown will take decisive and appropriate action and will reinforce the integrity and standards of the Dallas Police Department.

In reality- most of the men and women of the Dallas Police Department do a fine job. It is because of them – their intelligence, their patience, their courage, their love of Dallas – they are the reason we have had such tremendous success. They, along with the members of Dallas Fire-Rescue, are the reason our city grows safer by the day.

So please, won't you join me in thanking the men and women of the Dallas Police and the Dallas Fire-Rescue for their commitment to keep us all safe.

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If you want to talk about optimism, take a look at what is going on Downtown.

The renaissance continues. I continue to be encouraged by the many signs that we have that the Downtown turnaround is here to stay.

- Main Street Gardens is open ... complete with a sidewalk café. (By the way, they have great yogurt ... I know because I love it and it is breaking my wallet with the demands from my security guys.
- Down at the other end of Main Street at Belo Garden -environmental remediation is underway and construction on the park will begins in November and will open next year.
- Construction is now well underway on the Perot Museum of Nature and Science... a great visitor venue and one that can inspire our young people. And yesterday, just a few blocks away in the West End, we cut the ribbon for Uplift Education's Laureate Preparatory school.
- A year ago, the AT&T Performing Arts Center opened to fireworks, music, dance and rave reviews from both critics AND the tens of thousands of people who came to see it. And we know many will return in a few weeks when we open the new Annette Strauss Artist Square. And more is on the way.
- Phase One of the City Performance Hall is under construction next to the Wylie Theatre. And is set to open in 2012.

- A few blocks away, a residential high rise, Museum Tower is going up.
- And right across from it our Deck Park. What a project that is.

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- And of course, we can't help but notice the **Omni Dallas Convention Center Hotel** going up and changing our skyline. It was a year ago right after this luncheon - seems longer doesn't it? - that we broke ground on the long awaited and needed project. Already you can see the blue glass, the rounded curves and soon, the hotel will be lit up in special lighting.

And as predicted, it's already transforming the economy.

- In the years just before the Council approved the hotel... we averaged maybe a dozen of the big city-wide conventions a year.
- But when the hotel opens in 2012, the DCVB says we will double that amount in the first year alone.
- Our hotel isn't even finished and we can see that Dallas is coming back as a major player in the Convention business.

Oh yeah, and if you promise not to tell anyone, I'll let you know they are running ahead of schedule and are starting to book the end of next year.

And what is really great is seeing the other investments being made in the local hospitality industry.

- In the past few years, the Sheraton invested \$91 million in renovations.
- The Fairmont - \$10.5 million
- The Hyatt - \$63.5 million
- And the Hilton Anatole is undergoing a \$25 million makeover.
- Add in what we are investing in the Convention Center and the Hotel, THAT is a vote of confidence in both Downtown Dallas and our convention and hospitality industry.
- You all helped make this possible with your support for the Hotel...give yourselves a round of applause.

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Another reason for optimism is the success we've had with our Vacant Building Initiatives downtown

- We had identified 31 buildings that were vacant and eyesores, as well as violating numerous building, fire and safety codes.
- And they hampered economic progress downtown, threatened historic structures and posed a safety hazard to their neighbors.

Well, what a difference some very focused, determined enforcement will make. Thanks to the first two phases of our initiative:

- Most of the listed buildings have been brought up to code or have repair agreements in place.
- At least two of the structures were sold and are in the hands of a developer. And sales of others are pending.

And we're not through. Phase Three is just around the corner.

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And of course, the other big feature changing our city's skyline is the Margaret Hunt Hill Bridge. Already the bridge is turning heads and has people talking.

I think for many people, **it's the strongest indication that the pieces of the Trinity River Corridor Project are at long last falling into place.**

- A few months ago on sunny June morning, we watched from the banks of the Trinity as work crews dropped the final keystone piece of the signature arch into place. It will be complete in just over a year.
- Then, we will turn Continental Bridge into a pedestrian park in the shadow of the bridge, thanks to the very generous and anonymous donation of \$10 million dollars.

Two other projects also underway in Southern Dallas near Corinth and 8th Street...

- The Standing Wave will be complete early next year providing a great recreational resource for kayakers...
- And the Santa Fe Trestle and Bike Trail will be finished in another two years.

But remember, the first priority with the Trinity River Corridor Project is, and always has been public safety - Protecting our downtown and the homes and businesses near the Trinity from flooding.

- During the recent heavy rains, our levee system functioned without any problems keeping neighborhoods and businesses safe from the rapidly rising waters along the Trinity River.
- This levee system is the same one that has protected us for almost 60 years, and I am confident that it will continue to safeguard the City.
- We are working with state and federal partners to bring this system into the 21st Century, and our remediation and improvements will culminate in a benchmark levee system not just for Dallas but for the nation.

But I will tell you there is a rising level of frustration with some of our federal partners in this.

They are not accountable to the citizens of Dallas.

Their decisions do not seem to consider how long things will take, how much it will cost and the financial and safety impact on the property owners on both sides of the levee.

If there are really safety issues – then let’s lay them out and quickly move forward. But the process to finding a solution must move resolutely forward.

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Another area we are seeing success: Solving homelessness.

The Bridge has had a positive impact on downtown and our city. Their efforts have helped thousands transition to a normal life. 2000 jobs have been provided, 700 homes and we’ve seen chronic homelessness fall over 50%.

But I’d like to take special note of the efforts by individuals out at Cliff Manor in Oak Cliff. Clearly, DHA’s plan to create permanent supportive housing at Cliff Manor caught

neighbors by surprise, and some of the anger and concern expressed was understandable.

But I have to express my thanks to those residents who stayed engaged in the process. They have reached out to the Metro Dallas Homeless Alliance and the Dallas Housing Authority to create a good neighbor project.

- As part of this, they're developing a good neighbor agreement and a complaint resolution process
- Will work with the City to ensure the permanent supportive Housing is shared throughout the city
- And they're taking steps to create a coffee shop there – staffed by the formerly homeless .
- This provides the neighborhood with an amenity they don't have, job training for the formerly homeless, and making those new Cliff Manor residents feel part of the community.

This is the kind of solution oriented thinking that Dallas is known for so please join me in giving them a round of applause for their work.

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So clearly, on so many fronts we are making progress. But we still have work to do.

One area we must work on: the health of the people living in this City.

- Clearly, Dallas has some of the finest hospitals in the country... and the options for patients are still growing.
- We have a new hospital going up at Parkland.
- The Sammons Cancer Center is rapidly taking shape at Baylor Hospital near Downtown.
- And take a look at the work Baylor is doing in South Dallas at its Health and Wellness Institute at the Juanita Craft Recreation Center. That clinic, with its focus on diabetes is now seeing hundreds of patients.

Still, our city has some of the highest costs in the state for health care. This does not help us when it comes to attracting businesses and it puts that care out of reach for many families.

- That is why I am working with the North Texas Healthcare Alliance on its second Health Care Summit next week.
- The Alliance is will soon launch a pilot program to track a few specific medical conditions through the health care process - the care, treatment, cost, payment, follow up.
- We hope the answers they find will reduce the costs while improving care and the long term success of treatment.

Clearly though, we must also address some core issues surrounding health care. Those are diet, fitness and the health of citizens, especially our children.

That is why I am so pleased and grateful for the wonderful opportunity that came up recently, when a great corporate partner – ONCOR – stepped up to the plate to help .

ONCOR committed to one million dollars to help.

That in itself is incredible. But really, it was how ONCOR did this that showed its commitment to Dallas and its future.

Instead of just putting money in the general fund, ONCOR made it clear this money was to develop fitness programs for our kids.

Their commitment to create the **Mayor's Youth Fitness Initiative** is really an incredibly generous commitment to our children – IN EVERY PART OF THE CITY – and through our children, and incredible investment in our City.

Please let's give Oncor and the other firms and individuals stepping up to help us a big round of applause.

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And now - our challenges.

First, the development of the Southern and western part of our city represents perhaps our greatest challenge and our greatest opportunity.

It was ignored for too long and with it the potential of that area and our entire City.

We set it as a priority and, in a difficult economy, have made strides that have made a difference today and set a foundation for a much brighter tomorrow.

Investment is up substantially, we have seen new jobs created, we have targeted dollars to support individual initiatives.

The Southern Sector Task Force generated ideas, many of which are being implemented and others that will need the support of a future bond program. Thanks to all those involved and we will continue the work of that group and better target their efforts.

I am very encouraged by other groups that are making great progress in this area ... Habitat, with their “Dream Dallas”, targeting five key communities with a major, transformational investment and Dallas Faith Communities Coalition which is making educational and housing advancements in West Dallas. These are efforts that elevate this portion of our community and are making a real difference already.

However, in today’s economic environment, we must be very disciplined in how we use our precious resources during this down economy. The investments we make with taxpayer’s money, must be focused on those things that are going to lay the strongest foundation for our future, the strongest foundation for an economic recovery, and the strongest foundation for success.

It is essential to focus, prioritize key areas ... areas like Lancaster Corridor where the DART light rail and concentration of existing businesses and services provide perhaps the best opportunity for success.

And also at UNT Dallas, where this academic investment presents the opportunity to create a vibrant new community within a community. There is a clean slate with land, new infrastructure, the best opportunities for new development and growth.

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Second - with our successes and progress, we must also face our challenges, especially with education. There have been numerous real successes. But we still must make much, much more progress.

At the City level, we have expanded early reading programs, scholarship awards and intern programs to reinforce the importance of an education in today’s world. While these have had a positive impact and supported many students in their educational journey, we, as a community, must demand more from our public schools.

Soon, we will be initiating, with the support of business and community organizations, programs to communicate school performance, absolute and relative, to all households in our community. This will ensure we have full information in the hands of our citizens.

Next, the economic challenges we are facing today are going to be with us next year and into the future. “Normal” will be a thing of the past.

We have a government funding formula that will not work long term ... too much reliance on residential and on too few geographic areas.

As we look to the future, it is incumbent on this Council to build a strong tax base ... one that is weighted to the commercial sector rather than placing the burden on our homeowners.

Too many areas of our nation have taken this for granted and now they face limited growth prospects and are unable to meet the needs of their citizens.

We can't ignore our competitive position and expect to see positive results... especially if we're serious about developing the South and West.

In truth, the fastest way out of this economic situation, and the way that strongly positions us for the future, is to grow our city. That's how we build a tax base.

How do we do that?

We must keep Dallas competitive.

First – we need to reexamine our entire building inspection and permitting process.

We need to look out at our customer service... are we moving fast enough, are we providing a quality service experience, are our fees competitive.

I can tell you, from all that I'm hearing and seeing, we are not.

In terms of costs, in terms of service, in terms of speed and technology, in terms of metrics... our neighbors are cleaning our clock.

Some of that may be manpower, and we need to look at ways to address that.

But a lot of it is process. Are we empowering staff to make decisions? Can we outsource some of the inspection work to improve efficiency? Is our approval process too cumbersome? Where are the metrics? On Monday, we asked stakeholders in this to come together with City staff to reexamine and rebuild our process, and return within 90 days with a solution. This has to be a top priority so the property values rise and that tax revenue continues flowing in.

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Second - we need to bring even more new businesses and their jobs to Dallas. We must double our efforts to attract firms here, especially headquarters and manufacturing operations with jobs.

We've certainly had some successes – AT&T, Comerica, and ... another which we plan to announce very shortly. These are clearly firms that any city would fight hard to have.

But I can tell you... we are losing firms to the suburbs as well.

- The Tribune Company decided to build their data processing operations in Lewisville.
- Another major publisher may announce soon it is moving to Plano.
- Affiliated Data Systems went to Plano.
- We lost a Target Distribution Center to Denton.

North Texas is an incredibly attractive region, especially for companies struggling with rising taxes and regulations in states like California and New York.

But our neighbors here are also very, very aggressive and competitive - with everything from incentives to lower property tax rates.

And with companies moving here to improve their bottom lines, those things matter.

Remember, they can still enjoy all the amenities we have here in Dallas, but plant their company somewhere up the road.

That is our challenge. So I am hoping the Council will join me in finding ways to make our city more competitive so that those companies –large and small - and those jobs come here.

And finally, we have to be creative in evaluating our budget and the services we provide.

This will not be politically easy. It means assessing major programs like pensions and the fundamental way we perform services like emergency medical services and the way we manage major assets like Fair Park and Farmers Market ... to be more efficient. In today's world, we have little choice.

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Three years ago we laid out an aggressive agenda. We have addressed every component of that ... public safety, education, economic development and the environment.

We have also, through ethics reforms and actions to ensure our business at City Hall is done in an open and transparent manner ... ensuring the best deals for our citizens, built further trust in our government.

But the lessons of today are very clear ... things change quickly, nothing is guaranteed or assured, and it is incredibly competitive. In that environment, decisions focused on the short term can carry an enormous cost.

Dallas was made by pioneers that understood you make investments, you build for tomorrow ... and we are the recipients of that vision. We need to understand both the endowment and the responsibility that comes with that.

We have an obligation both to our citizens today and to those that follow. Leadership takes the broad perspective ... looks to the future. That is our collective mission. And I can assure there is no place in this country that is better positioned to realize its potential than Dallas. Let's all ... collectively ... commit to that objective.

In this last year, we have had many great successes and there are many challenges ahead.

But I have great optimism that we can get there.

And I see a future being shaped by our possibilities, not our problems ...

Our aspirations are clear: We want Dallas to be known as the finest City in America.

Thank you for the privilege of serving you and thank you for all you do for our City.

May God bless this City and all of its people.