

STATE OF THE CITY ADDRESS 2007
January 20, 2007
DeVos Place Convention Center
Hon. George K. Heartwell, Mayor

Introduction

Just a few weeks ago we saw more than 57,000 people come together in this city. They came out of respect for the great healer and his family. They came to say welcome home. They came to say good bye. They came to be a part of history in the making. The eyes of the world were on Grand Rapids for three days earlier this month. And the world saw the best in our community — our commitment, our diversity, our hearts, our unity of spirit and purpose.

We continue to honor our president, Gerald R. Ford, when we live according to those values and qualities we exhibited to the world. Grand Rapids can continue to make history as a city in which people unite to accomplish what others find impossible. We've done it before. We did it earlier this month. We can and will do it again.

Accomplishments

The State of the City Address sets grand goals – goals for us to accomplish together as a community; goals that stretch us, and change us, and move us toward a vision of a community unified in excellence.

We have had some dramatic achievements over the past three years and I would like to take a few minutes this morning to refresh your memory and recall our accomplishments.

In my first State of the City Address I emphasized social sustainability. I talked about the importance of public education. I challenged City government and the schools to work more closely and I pledged my best efforts in this joint work. I urged voter approval of the bond issues for school facilities and technology. I offered an innovative approach to community engagement with schools that I called “Education Renewal Zones.”

What were the successes coming out of that State of the City Address? The bond issues passed. New school buildings have been built and other buildings have been remodeled. Grand Rapids is one of the few urban districts in the nation where such an aggressive building program is going on. The City works closely with the schools in areas of engineering, equal opportunity, facilities management and purchasing...saving money for Schools and City, and ensuring a more efficient government for both. Our jointly funded Office of Children, Youth and Families facilitates the after-school programs of the LOOP through Extended Learning Opportunities, a program that has received recognition by the National League of Cities as a model initiative deserving of replication. While the Education Renewal Zone initiative has not been completed, the legislation is drafted and

the return of a stronger local economy hastens the day when the City Commission can again pick up the debate on this proposal.

I also emphasized community literacy in that first State of the City Address. Pointing to a 21% adult illiteracy rate I promised to hold a Literacy Summit in partnership with Community College President Juan Olivarez. We are now planning for the third Literacy Summit, a community plan has been developed and agencies are implementing its strategies, the United Way has adopted adult literacy as one of two major areas of emphasis and I have set a challenge goal to cut our illiteracy rate in half in a decade.

I want you to keep in mind that these goals in education and literacy are not just nice things to do to improve people's lives. They are absolutely essential to the future of our economy. Only well-educated and literate people will thrive in the new economy; and only communities that promote education and literacy will survive in a global economy where knowledge trumps physical strength and where innovation carries the day.

Superintendent Bernard Taylor has stepped into the large shoes of his predecessor Bert Bleke and has made the job his own. I am more confident today than I have ever been that the Grand Rapids Public Schools are on the rebound. Dr. Taylor and members of the Board of Education are here today. We also have many GRPS teachers and staff with us. Stand please and let's give them a hand for the great work they are doing.

In my second year in office I used the State of the City Address to talk with you about environmental sustainability. Again I set big, brawny goals. I told you I wanted to create a coalition that I called "Community Sustainability Partners" to do sustainability planning in the areas of environmental integrity, social responsibility and economic stability. I told you that I wanted to purchase 20% of the municipal electric power from renewable energy sources by 2008. I told you I wanted to adopt a LEED building standard for municipal buildings and to incentivize LEED in the private sector. LEED stands for Leadership in Energy and Environmental Design and is a standard for green building design.

How are we doing?

Today I am thrilled to announce a remarkable accomplishment. Just last week we received official notice that the United Nations has designated Grand Rapids a Center for Excellence in education for sustainability. It is the Community Sustainability Partners project that caught the attention of the UN and earned us this prestigious award. We are the first US city to receive the honor and only the second city so designated in North America. Again, the eyes of the world are on Grand Rapids and again, we have displayed what is best about this City. We set an audacious goal, we stretched ourselves, and the **world** now recognizes Grand Rapids as a leader in global sustainability. In the audience today we have Peter Wege whose philanthropic support has enabled the development of the partnership and we have representatives from GRPS, GVSU, GRCC, Aquinas College and the City, who have developed this award-winning effort. We also

have representatives from many of the corporate members. Mr. Wege and members of the Community Sustainability Partners please stand and be recognized.

We have been similarly aggressive on other environmental fronts. We are well on the way to accomplishing our 20% goal of renewable energy and I expect that by the end of 2008 we will complete work on a landfill gas project and a wind project and green power will be flowing in GR. We have installed energy efficient LED fixtures in over 1/3rd of our traffic signals. LEDs use only one-fifth of the electricity of an incandescent bulb. The savings on our street signalization conversion is the equivalent of the annual electricity demand of 82 homes. We have also reduced energy consumption by 11% in our facilities since I took office. And we are running our truck fleet on bio-diesel fuel for all but the coldest winter months.

Meeting our renewable energy goals will send a message to the State. Michigan needs a Renewable Portfolio Standard; a mandated green-power target for our energy producers to achieve. Twenty Four states have already adopted RPS...Michigan should be the 25th. I have challenged the Governor and the Legislature to work for a 15% renewable goal by 2015. "15 by 15" is my new battle-cry. At the January 10th meeting of the Urban Core Mayors – Mayors of the 13 largest cities in Michigan – we adopted this goal as an organization. Our state can't hope to be a leader in alternative fuels and renewable energy if we don't act, and act soon. Governor Granholm, legislators: "15 by 15!"

The City Commission adopted a resolution stipulating that all future Grand Rapids municipal buildings will be built to LEED standards and our Planning Department has embedded LEED into the Zoning Code revisions that will come to the City Commission for adoption next summer. While some cities have taken the approach of mandating LEED for private buildings, we have chosen to incentivize LEED. Today Grand Rapids has more LEED certified buildings than all US cities except Seattle and Michigan is second only to California in total LEED square footage. It is reported that Governor Schwarzenegger is shaking in his boots as he looks eastward to the accomplishments of Grand Rapids.

Last year's State of the City Address focused on economic sustainability. I told you about the challenges we face in budgeting. Your city government has solved for over \$70M in deficits over the past four budget cycles. This is the result of a loss of income tax revenue and the persistent plundering of Revenue Sharing by the State of Michigan. We have not raised taxes. We have implemented a program called Lean Thinking and are operating in a highly efficient and sustainable manner in departments all across city government.

Still the challenge remains. The Commission will face tough decisions again this year as it seeks to fill an anticipated \$5M hole in the budget. Like all businesses we are wrestling with the difficult task of controlling runaway health insurance and pension costs. Unlike most business we have been highly successful in keeping our health insurance costs to an average increase of only 5% per year over the past three years. As we go forward we

simply must live within our means, matching changes in revenue to wages and benefits. A great deal of work remains ahead of us. We will prevail.

I also spoke last year of promoting economic development in partnership with our neighboring communities. We have made remarkable progress in this regard. The Grand Walk development on the Grand Rapids Walker border and the Steelcase campus redevelopment on the Grand Rapids Wyoming border are not only symbols of intergovernmental cooperation, but are essential elements of a sustainable local economy.

Last December the City Commission approved a contract for citywide wireless broadband service. Once the antennas are in place anyone, any time, anywhere within the city will be able to access the world, unplugged! This initiative has earned high marks from business. Employees can work outside of the office and be networked to their colleagues without wired access to the internet. Low income individuals will have access at affordable rates, public services will enjoy free wireless access and all this is being done without burden on the taxpayers. Is this a cool city or what!?

And this week's vote by the Trustees of Michigan State University to move the Med School to downtown Grand Rapids will pay economic dividends for decades to come.

We have a great deal to be proud of here. Recognized by the United Nations as a Center for Excellence, a leader in the nation in environmental building design, over \$1B in new downtown development under construction or on the books, Grand Rapids is a city on the go, a dynamic urban center. Michigan Economic Development Director Jim Epolito recently described Grand Rapids as "the economic engine of Michigan." Health care, higher education, medical research, lean manufacturing...we're innovative, hard-working, forward-looking and technically competent.

So where do we go from here? While we continue to flesh out the vision of the first three State of the City Addresses, what are the new challenges we must turn to?

Looking Ahead

I began this speech talking about unity and it is to unity I return. We need to build on the powerful work we have done in Grand Rapids on the triple bottom-line of economic, environmental and social sustainability. We have the will, we have the structure of the Community Sustainability Partners, and we are in the global spotlight. It's time to unite. It's time to act.

This morning I will address social sustainability. If we don't have a city where equity, fairness, even-handed deployment of city services and city resources is the norm, then we don't have a sustainable city. All our grand economic plans, all our work for environmental protection is hollow – and ultimately futile – if we aren't a city where the poorest among us get equal consideration to those with wealth and power. We do not carry out our recently demonstrated commitment to live by the principles exemplified in

Gerald R. Ford if we are not purposefully healing past rifts and moving forward united in spirit and purpose.

Equity Through Diversity

Let me start, then, with race relations and diversity programs. Proposition 2 passed in Michigan. It passed by a wide margin. Proposition 2 ends the use of affirmative action by government and public education to remediate past injustices based on race and gender.

You may have noticed that I was a little grumpy about the passage of Prop 2! The City Commission had unanimously passed a resolution before the election urging defeat of Prop 2. The Chamber of Commerce, the UAW, University Presidents, hundreds of civic and labor organizations and both candidates for governor urged a vote against Prop 2. Still it passed.

And when it passed I suggested that Grand Rapids consider challenging its constitutionality. The response was immediate, and it was angry: “What right do you have, Mayor, to challenge a legitimate vote of the people. In our system the majority rules...and the majority has spoken clearly.” You saw the letters, day after day, in the Public Pulse...and that was a fraction of the communication I received.

Yes, in America the majority rules, but we live under a system where the majority cannot run roughshod over the rights of a minority. Many of the early gains of the civil rights movement in this country came through the courts; came as the result of challenges to majoritarian rule. That’s democracy.

Having said that I can tell you that, for a number of reasons, none of which have to do with a softening of will, we have determined not to proceed on our own with a federal lawsuit. We have been told by Constitutional law experts that our chances of prevailing are slim and that the cost would be exceedingly high. We continue to monitor the federal challenge in the Eastern District of Michigan to weigh the benefit of filing an amicus curie brief on behalf of the plaintiff in that suit.

Further, at the direction of my office and the City Commission, municipal staff has been assessing all programs that seek to diversify our workforce, our supplier and our contractor base. We value diversity. We valued it before Prop 2 was introduced. We continue to value diversity now that Prop 2 is law.

Let me be clear. We will comply with the law. That means we will eliminate race and gender preference in hiring and contracting. There will be no goals. That’s the law.

But mark my words. We will be an increasingly diverse workforce. And we will have an increasingly diverse supplier and contractor base. Because that's what we value in Grand Rapids.

City Manager Kurt Kimball and I have discussed this issue in depth and we agree. Notwithstanding the limitations of Prop 2 we will – more and more with each passing year – reflect the racial and gender composition of our community in our municipal workforce.

Notwithstanding the limitations of Prop 2 we will develop a more diverse contractor and supplier base. In fact, next Tuesday the City Commission will be given the opportunity to put legs under our words. We will be voting on a new Disadvantaged Business Enterprise initiative which will allow us to continue efforts to achieve diversity in contracting. I urge my Commission colleagues to join me in adopting this proposal.

Notwithstanding the limitations of Prop 2 we will encourage diversity in contracting on private projects. I have every expectation that the goal of those majority companies who do business in the city of Grand Rapids will be to promote diversity.

The best firms are already promoting diversity. The fact that the City can no longer mandate minority participation will make no difference to them. Other firms need to emulate these leaders. Our economy depends on it.

This morning I want to highlight a group of local contractors to receive the first annual Mayor's Champion of Diversity Award.

The Monday Group began meeting three years ago. The group was founded on the proposition that a strong and vibrant contracting sector requires good working relationship between majority general contractors and minority sub-contractors. The Monday Group assists minority firms in bidding successfully for city and private sector projects and it helps iron out difficulties that might arise along the way. The prosaic name suggests a quiet and understated group...but the impact they have had is anything but understated. The Monday Group is supported by a talented assembly of City staff led by Ingrid Scott-Weekley.

Most of the members of the Monday Group are here today and I want to ask them to begin making their way to the podium. [read the list as they come, then join them down in front]. Ladies and Gentlemen these men and women are changing the face of the contracting business in Grand Rapids. These are the Champions of Diversity and I am proud to stand with them and present the first Mayor's Champions of Diversity Award. Please join me in thanking them for all they do.

In the 1976 presidential elections, the majority of voters spoke their displeasure in Ford for pardoning Nixon. Ford took the unpopular and difficult course. He did it with a heartfelt belief that his action was in the best interest of the American people. Clearly, as

evidenced earlier this month, there is a new understanding of his action among American citizens.

My own heartfelt belief is that none of us have opportunity unless all of us do. And I am choosing a course that I hope, in time, will heal our divisions rather than continue to divide us. We need to move forward together. There is much to accomplish in the coming year and it can only be accomplished by a community united across gender and racial barriers. By that community — united in purpose — that we showed ourselves to be in early January.

Public Education Improvement

Last year during the Calvin College January series I was privileged to have lunch with speaker Juan Enriquez. I could hardly wait to ask Dr. Enriquez my question: “You visit cities all over the world talking about genomics and promoting research in life science. Every mayor in America is trying to attract medical research. What can we do in Grand Rapids to make our community most attractive to researchers?” His answer blew me away. “Develop a world-class system of public primary and secondary education.” He elaborated, of course, but his point was made: no city can hope to compete successfully in the knowledge economy that doesn’t offer great public education.

In my first State of the City speech I said:

“The education of our children is of paramount importance to the community. We cannot be the great city we envision if we do not have great public schools. Our futures are inescapably intertwined.”

It was true three years ago, it is true today. I was convinced three years ago, I am even more convinced today. Our future depends on quality public education for **all** our children. Not just suburban children, but **all** children. Not just white children, but **all** children. Not just children of the economic elites, but **all** children.

There are disturbing indications that children in urban public schools – in Grand Rapids and across the country – are failing. There are many reasons for this: their parents are not pushing them to excel, their peers ridicule academic achievers, structures of race and class cloud their futures, they struggle with the myriad issues of poverty...the list is a very long one.

And there are gross inequities in funding between high needs urban districts and relatively low needs suburban districts. The Michigan foundation grant – that is, the per pupil payment made by the state – originally intended to provide equity between districts has devolved into a system that sustains inequity, benefiting white suburban children at the expense of urban minority children. Money for education is based on zip code and not on student need.

All children are capable of learning at high levels. However, if some children are afforded excellent learning opportunities while others are treated to mediocre opportunities – because of the zip code in which they reside – then some will excel while the others fail, drop-out and drift-off. We can't let this happen to our children. We must redouble our efforts to close the disparity gap in education between rich and poor...between urban and suburban, between white kids and minority kids.

Some remarkable things are happening in the GRPS.

Fourth Grade MEAP reading scores have improved by 96% in 2005 over the 2002 scores and, during that same four year period 7th grade reading improved by 56%. This past year 11 of our elementary schools and 6 of our middle schools saw significant gains – that is more than 10% improvement – in reading MEAPs. In writing MEAPs, 24 elementary schools and 4 middle schools saw significant improvement in MEAP scores.

Every one of our schools now has a fully-stocked library – the result of corporate and individual philanthropy through the Student Advancement Foundation. What great evidence of community support!

The Kent School Services Network is putting health and social services staff in our school buildings, freeing teachers to teach. Kent County has stepped up to provide these critical services and we owe the County a debt of gratitude.

Superintendent Taylor has focused attention on developing cultural competency in our schools. Staff needs better insight into the culture of students, a culture too often shaped by poverty and racial discrimination. As well, students – if they are going to succeed in life – need to learn the ways of the culture they will enter when they go to college and when they enter the world of work or profession.

And the Expanded Learning Opportunities has launched The Loop, providing after school programs in 24 of our elementary and middle schools, extending the learning day for our kids.

We have smart people, doing the right things, and getting good results. But still we have an unacceptably high drop out rate. Still we have too much violence in the public high schools. Still we have grade point averages that are far too low for college admission ... and if our kids aren't going to college, they're going nowhere.

We are stuck in small boxes called school districts. It is high time that we began acting out of a big box. It is time to forge regional partnerships and seek regional solutions.

Track with me for a moment...

We have come to think of ourselves more and more as a region. We talk about our regional economy. Local governments are committed to regional economic development through The Right Place. We have an excellent regional policing effort underway. We

have a regional transit system that was named best in class in the nation for 2006. We use a regional theme to promote tourism to Michigan's West Coast. We are the regional health care center for West Michigan.

Why is it then, when it comes to the education of our children – arguably our most important regional asset – we suddenly become narrow-minded parochialists? Surely we understand today that the economic future of the region is tied directly to the level and quality of education provided for our children. Yet the challenges of educating children differ from district to district.

On his tenth day on the job last week I met with the Kent Intermediate School District Superintendent Kevin Konarska, who has joined us here this morning. Superintendent Konarska is a regionalist. He understands the importance of addressing problems collaboratively. We all need to support him in his efforts to find and implement regional solutions.

I have asked Kevin to convene a summit meeting of the Superintendents of Kent County schools together with the chief elected official – mayor or township supervisor – from the governmental subdivision in which those districts reside. Schools and local government need to put our shoulders together to address these intractable problems and to show a united front in Lansing. Until we address the disparities in education, our poorer districts will continue to limp while our more affluent districts sprint ahead. That may look OK if your child attends school in one of the affluent districts, but when you assess the regional economic impact of low achievement the picture changes. We rise and we fall together. Today we're falling. We must turn that trend around...and we must do it with the haste born of urgency.

An End to Homelessness

Since I am on the subject of disparity in education let me describe one other disparity that must be corrected. That is the disparity in housing opportunity for very low-income families and individuals. The Salvation Army Booth Services reports that there are nearly 2,000 homeless individuals in our city. 51% of these homeless people are under the age of 12 years. They are living in shelters. They are living in cars. They are hiding in abandoned buildings. They are living in the undergrowth along the river and beside the rail road tracks.

Over two years ago then-County Board Chair David Morren and I launched Vision to End Homelessness. We pledged our energy and our resources to ending homelessness in a decade. David's successor Chairman Roger Morgan has maintained the same strong conviction to achieving this important goal.

Here's the vision: children growing up in the same house for years, their parents free of the worry of homelessness, free of the guilt of being unable to provide adequate shelter for their families. It was that way once. It can be that way again. We will end homelessness in Grand Rapids by 2014.

Let me tell you what has been accomplished so far. A comprehensive community-based plan was developed in 2005 and it goes by the name Housing First. It's based on a very simple premise: that the principle problem with homelessness is lack of housing. Put people in a safe, secure and affordable house first – make services available to support them – and they are far less likely to return through the revolving door to the streets. The Housing First model was implemented in Kent County early in 2006. The results are stunning. 117 families were housed this year and 91% are still housed stably after six months. Of these 101 families were diverted from the shelter network and 16 families were rapidly re-housed from shelters.

There is a clear benefit to the family who is rescued from homelessness. But society enjoys a dividend as well. Betty Zylstra, Director of Booth Family Services of Salvation Army, visited a Housing First initiative in San Francisco recently. She reported to me that the investment in properly housing would-be homeless people is one dollar for every five dollars spent in caring for homeless individuals and families in the shelter system. It makes good economic sense. Not only does the community save through housing people first, but the people are more rapidly absorbed into the economic mainstream. They become working, productive contributors to the local economy.

So, today I set challenge goals for the remaining eight years of this decade of ending homelessness. As I review the numbers – including Salvation Army's homeless count and Grand Rapids Housing Commission waiting list – I have determined that we must produce at least 500 affordable housing units each year in Kent County and make them available through the Housing First initiative.

Here's the catch: government can't accomplish this goal. It will require non-profit and for-profit building companies and property managers to work together toward a common goal of ending homelessness. It will require strong advocacy by City and County to leverage the federal investment required to accomplish our end. It's going to take us all, working together, to end homelessness.

As we reduce homelessness we can begin closing shelters. They will not be necessary, and they are not sustainable. When this process reaches its stabilizing point in 2014 it is estimated that Kent County will need only fifty shelter beds to handle emergency situations which may arise. So the mirror goal to increasing affordable housing is reducing shelter beds. We should be able to reduce the current inventory by approximately thirty five beds per year for the next eight years and redirect those community resources to the Housing First initiative.

I spent nearly 15 years working with our homeless community at Heartside Ministry. When I entered that work in 1985 the surge in homelessness in this country was just beginning. Twenty-one years later it is at full-stride. Many the times I have said – often while desperately searching for a place to house a homeless family – that I pray for the day when our work would not be necessary, when homelessness would end. Now, even as I continue to pray for that day, I can see its advent, less than a decade away.

It may seem strange to us who have supported homeless services for long enough that those services have come to seem inevitable, that I can talk about ending them. But isn't that our goal? Isn't that the goal of a compassionate society? Don't we all look for the day when every child will be adequately, safely housed?

Friends, that goal is within reach. The machinery for its completion is in place. All we need is the will, the courage, the strong collective determination to make it happen. Let us commit ourselves today to carrying out this audacious plan and to end homelessness in Grand Rapids by 2014.

Strong Neighborhoods

Finally, this morning I want to put one more piece in the puzzle of unity for Grand Rapids. Our city has a strong tradition of neighborhood organizing. Our neighborhood associations are the glue that holds many neighborhoods together. Neighbors helping neighbors; professional staff providing services, supporting citizen initiatives, and organizing block-by-block to ensure safe and pleasant communities.

Anyone familiar with neighborhood association work will understand me when I say that these staff and volunteer board members are magicians. They pull rabbits out of empty hats. Neighborhood associations do more with less...in fact, they do more more with less less than anybody I know!

Sometimes they look downtown and they see crystal buildings and streets paved with gold and they ask – rightly! – Why can't get we get some of that action? State laws intended to revive dying central business districts have largely ignored the challenges that neighborhoods face. In the last few years some tools have been added to the neighborhoods' tool box: Business Improvement Districts, Corridor Improvement Districts, Neighborhood Enterprise Zones, and Cool Cities grants, for example. Yet still we need more focus on our neighborhoods.

Today I want to conclude this Address by proposing a new tool: a Neighborhood Improvement District. If neighborhoods could do what downtown has done using its Downtown Improvement District to beautify streets, collect litter, employ staff and promote events wouldn't such a tool be useful? Downtown property owners assess themselves through their Downtown Improvement District and raise the money to provide all these important services. Using a Neighborhood Improvement District, neighborhoods might choose to do some of the same things downtown has done, or they might use the funds for youth programs, for park enhancements, or for crime-stopping initiatives. They determine their own needs, they set the level of the assessment, and the city collects the funds on their behalf, as part of the tax bill, to be returned to the neighborhood association and used to meet its goals.

It may require new state legislation to create this tool. But I am confident that under the progressive leadership of our State Representatives Michael Sak, Robert Dean and Dave

Hildenbrand and our great State Senator (and former Mayor) Bill Hardiman we can get this done. When Eric DeLong and I presented this concept to the Urban Core Mayors two weeks ago there was unanimous enthusiasm. Let's get it done...and let's give our neighborhoods a great new tool to use to improve their quality of life.

In early January, 57,000 people came together to say welcome home, to say goodbye, and to be a part of history. In 2007, I am calling on those 57,000 and more to unite again. To welcome every person to share in the economic growth and prosperity of this City and region. To welcome every child to a quality education, and to say goodbye to division, and to unequal educational opportunity. I want us to unite to say goodbye to life in cars and shelters and, truly, "welcome home" to those who have not had a home. I want us to say goodbye to failing neighborhoods and welcome home to a quality of life environment for all our residents. The world is still watching. In early January, we united for a few days to become a part of history. If we remain united, I can promise that we will make history every single day of the coming year.

Thank you and God bless you all.