

STATE OF THE CITY ADDRESS: 2008
Hon. George K. Heartwell, Mayor
January 19, 2008

Introduction

Cities, like people, make first impressions, long-lasting impressions on our visitors and others who are in the process of determining where they will live, establish businesses and raise their families. That can be a good or a bad thing, but for Grand Rapids it's very positive. We've been making a great first impression because of our friendly and talented people, our strong values of hope, family and faith, and our commitment to sustainable growth and renewal. We are making national news for our forward-thinking investments and we are seen by others as a model city for our public-private partnerships and our green approach to the future. As Mayor of this amazing city I want to build on all the good work we have begun together.

Our People

Recently a distributor stood before the Grand Rapids City Commission to request a tax abatement. Peter Courtney is the CEO and owner of Diversified Distribution Systems from Minneapolis, MN. He is opening a new distribution facility in Grand Rapids on 42nd St. and Eastern that will employ 150 workers. That's good news. I asked this question: "Why Grand Rapids? What made you choose this market to do business in?" He told me that Grand Rapids was one of 15 cities in six states that they had considered for this facility. He said this one would be the largest of their 6 operations. Then he said this, "Hands down, what Grand Rapids has over every other city we looked at was people. PEOPLE! You've got skilled, hard working and productive people in your workforce. What we value is skill, hard work and productivity. We value people; and you've got the right people."

Peter Courtney began with an impression of Grand Rapids gleaned through media and his visits here and it was an impression that held true the longer he looked. We've got the people.

And our people are raised on a certain ethic. It goes like this: work hard, treat others fairly, keep your nose clean, and you can succeed.

Isn't that what you believe? Isn't that how you organize your lives, do your work or run your businesses? Maybe you learned it from your mother or father as a youngster. Maybe you learned it when you got your first job and the boss sat you down and told it like it is. Somewhere along the line anybody who succeeds learns that hard work pays off.

Peter Courtney was telling us what we intuitively know. Our true wealth as a region is in our people. Good people. Hard-working people. Honest people who treat others fairly

and expect the same in return. They're people like you; and the people who work with you or for you.

We are going to survive Michigan's economic tsunami because we have the people. That is true wealth.

Preparing our children and young people for the new economy, for the skilled jobs that are coming, is the important work of our educational institutions – our public and private schools, our colleges and universities. The challenges presented by a global economy have never been greater. We need to produce scientists and engineers, mathematicians and biologists. We also need to produce a new generation of citizens, capable of thinking globally and acting morally; citizens who can conceptualize those processes and products that will leave the earth a better place. And we need poets, theologians, and philosophers who can help us make sense of our place in the universe.

That preparation process begins at home when a child is born and a parent chooses to read to that child. Even at the earliest age worlds are opened and children understand that they are a part of something much larger than themselves, their families, and their community. And they begin to understand that learning is part of growing up.

We need children who are learners...and we need adults to be continuous learners. The world we have known is changing rapidly and we must better prepare ourselves to live in this evolving world; we must reposition ourselves to take advantage of the changes coming. Yet, one in five adults in Grand Rapids today cannot read. If we are going to raise up a generation of children who are learners it is essential that the adults who are their parents and role models be readers.

Four years ago Grand Rapids Community College President Juan Olivarez and I launched an initiative aimed at making all adults readers. Under the banner of Greater Grand Rapids Reads, organizations from the Literacy Center of West Michigan to the Workforce Development Board, from the Community College to the Grand Rapids Urban League are teaching adults to read. We are preparing a workforce for the challenging new jobs that lie ahead.

In our primary and secondary schools we continue the focus on reading. The number of 4th grade students meeting or exceeding standards on MEAP reading scores in the Grand Rapids Public Schools has improved by 16% since the fall of 2006.

A key element in the learning experience for GRPS students is our quality after school programs called The Loop. We now have The LOOP in 30 of our elementary and middle schools, where children can have fun, learn new skills, and get help with their homework. The City has partnered with GRPS and many community partners to facilitate the Expanded Learning Opportunities Network, a community collaborative dedicated to ensuring that all children have quality after school programs in their neighborhoods. I chair the ELO Network because I believe that after school programs mold leaders, inspire action, and foster creativity. The hours right after school from 3-6pm are critical hours

for children. As revealed in our first ever Grand Rapids Juvenile Offense Index report, children are most likely to get into trouble between 3 and 6 PM. We must prioritize investments in after school programs and ensure that our youth have a safe place to go after the school bell rings.

Our Community's Children, formerly called the Office of Children, Youth & Families is a public-private partnership between the city, the schools and the community and it is Our Community's Children that manages the work of the ELO Network.

One of our goals is to have after-school programming in every public school. We have only seven to go. This year we received federal earmarks totaling \$531,000 for after school programs. And, since we started this work in my first year as Mayor we have attracted over \$18.0 million in outside funding for our after school programs. With private and public investment, we will have an after school program in every public school! That's my commitment!

And Grand Rapids was one of six cities selected nationally for a grant from the National League of Cities to do Youth Master Planning. Under the leadership of Our Community's Children this year we will create a working Youth Commission of middle and high school youth with young adults who will produce a Youth Master Plan to assess in greater depth the needs of our young people and help align community efforts in order to better prepare them for a brighter tomorrow. This Youth Commission will be linked with other youth boards and my own Mayor's Youth Council. As you may know, I have held several community meetings with our city's youth and they are boldly telling me that they want to be challenged, they want to learn in a safe environment, they want caring adults in their lives, they want after school programs, and they want jobs. As your Mayor, I am asking each and every one of you to step up to the plate on behalf of our youth. Partner with us!

I put out the challenge to corporations, small neighborhood businesses, and green industry to hire youth. The Grand Rapids Public Schools and the Kent Intermediate School District are working to ensure our youth are ready for careers by offering proficiency tests for a career readiness certificate. If the student has this certificate in their hand, why not offer them a hand; give them real-life workplace experience. Make this your social investment for the future.

By the end of this mayoral term I want to see at least 500 new jobs for youth in our community; opportunities for kids still in school to get real life work experience, adult mentoring, and exposure to the culture of work. Join with me and such community partners as the Right Place, Inc.'s Manufacturers Council, the Chamber of Commerce and the Workforce Development Board in making this goal a reality. Our young people need us!

Our Values

I have been courting a Spanish company for the past year and one-half. I have called on them in Spain, and they have visited us in Grand Rapids on two occasions. On the second trip Senor Jesus Harasti, Chief Executive Officer, led his corporate delegation. My team and I spent two days with them: showing them the potential for manufacturing in this part of the state, introducing them to sub-contractors and suppliers, helping them explore product transportation options.

I hosted a dinner at the end of the second day when business was done and the formalities of international diplomacy were over and we could just enjoy each other's company. As we got up from dinner Senor Harasti pulled me aside and said to me, "We've been together for two days and you haven't heard me ask about any tax breaks or local government assistance. Do you think that is odd?" I acknowledged that it was exceedingly odd! He said, "You will never hear me ask for governmental favors. We base our business, not on tax breaks, but on shared values." With this he embraced me and said, "We have the same values."

We have values that matter. What are they? You can list them:

- Honesty
- Fairness
- A sense of personal and corporate honor
- Charity
- We're not greedy but we want to enjoy the fruits of our hard work
- We value relationships, families and children
- We hold learning in high esteem
- Most of us believe in a transcendent God who expects ethical behavior
- We value the earth which this transcendent God created

These values come to us from the land, from our ancestors; they are reinforced in our relationships: business relationships, friendships, neighbor relations. Hard times come, and bear down on us...but they don't drive out the values we hold. In fact, I would suggest that hard times often strengthen our commitment to those values. We come to rely on one another when things are difficult. We don't let our neighbor starve, or his children go without shoes. We are community and that means we look out for the common good, not for our selfish interests.

Today it my privilege to present the second annual Champion of Diversity Award. I began this practice at last year's State of the City as a way of recognizing leaders in what I believe to be one of the most important community values: racial equity. Those who receive this Award must have demonstrated their personal passion for diversity and engaged their organizations in the difficult but essential work of promoting the principals of racial equity. Nowhere is this more essential than in education. Thus I am especially pleased to announce this years Champions of Diversity – Champions because today there are three of them: Grand Rapids Public Schools Superintendent Bernard Taylor, Grand Rapids Community College President Juan Olivarez and Grand Valley State University

President Thomas Haas. Collectively these three men are driving change; they are influencing the minds of tens of thousands of young people, and thousands more instructional and administrative staff members. Collectively they are reshaping the landscape of racial ethics in Grand Rapids.

Dr. Tom Haas, in his relatively short tenure as President of the University, has already made diversity a hallmark of his presidency. He was a highly visible opponent of Proposition 2 and since its passage has directed the University to find new and innovative ways to pursue diversity within the bounds of the law. In the pursuit of diversity at GVSU Tom Haas has just added to his staff a new Vice President for Equity and Inclusion. Dr. Jeanne Arnold began work on January 7th and is with us this morning. Dr. Haas is fond of saying that “diversity is an intellectual asset.” We are fortunate that Grand Valley attracted a champion of diversity like Tom Haas.

As President of Grand Rapids Community College, Dr. Juan Olivarez integrates the College’s commitment to diversity in word and deed. As a strategic initiative GRCC incorporates diversity into its core culture. His actions have most recently secured an endowment from Bob and Aleicia Woodrick ensuring the future of the Grand Rapids Community College Diversity Learning Center. Dr. Olivarez recognizes that the process of seeking social justice suits an educational entity perfectly. Such a process demands that the College continue to lead, learn and respond to new challenges. Juan Olivarez is the right man for that job.

Dr. Bernard Taylor has elevated the importance of cultural competency among staff and students in the Grand Rapids Public Schools and beyond the walls of the schools in the larger community. He has played a lead role in the Kent Intermediate Schools diversity training initiative. He continues to push for a curriculum which meets the needs of a diverse student body and reaches children in their first language. His challenge, of course, is that the GRPS student body is made up of students from nearly 70 nations and with 49 different languages. Bernard Taylor is up to such a challenge.

Please join me in honoring these Champions of Diversity as they make their way to the dais.

I want to spend a little time this morning focusing on the value of protecting our environment. This has been a strong emphasis of my administration. We have enjoyed many successes:

- 20% of our municipal power is generated with renewable resources.
- We have achieved 10% reduction in municipal energy consumption since I took office
- Over the last decade and one-half we have achieved 99.4% reduction in sewer overflows into the Grand River
- 32% of our city-owned vehicles operate using alternative fuels for all but the coldest winter months
- We have introduced hybrid busses into The Rapid’s fleet

- The City Commission has committed to build only LEED-certified municipal buildings in the future. LEED is an acronym for Leadership in Energy and Environmental Design, a green-building standard.
- LEED standards have been incorporated in our zoning ordinance
- We built the first LEED-certified municipal facility in Michigan (Water/Environmental Services Building)
- We offer free residential recycling with over 32,000 city households using that service

These efforts, and others, have put us in the role of being a national leader of sustainability. Municipal sustainability guru Kent Portney of Tufts University lists Grand Rapids in the top 15 most sustainable cities in the country. He wrote this about Grand Rapids:

“Under the direction of Mayor George Heartwell and Corky Overmyer, the Mayor’s new Sustainability Coordinator, Grand Rapids has embarked on an ambitious plan to take sustainability seriously. Working with the West Michigan Sustainable Business Forum, Grand Valley State University, the City’s Office of Environmental Protection, the City’s Sustainability Manager, the Grand Rapids schools, and virtually every neighborhood, community, and social service organization, Grand Rapids has begun a process of mapping out their path to greater sustainability”

“Begun a process...” Yes, this is what sustainability is all about. It is a process that involves continuous improvement, experimentation, thoughtful investment and great vision, focused on balancing people, planet, and profits for the benefit of all who live, learn, work, and play here. We have within us the capacity to innovate and to manage our resources, our growth and our challenges in such a way that this place we live and call home will be better for our children’s children than it has been for us. Cleaner air and purer water. Good paying jobs. Equal opportunity for everyone. A Cree First Nation proverb reads, “We do not inherit the Earth from our Ancestors, we borrow it from our Children.” This attitude needs to become second nature to us if we are to leave our children with a vibrant and healthy community.

On the way to the airport, after speaking in Grand Rapids, Portney remarked “you have great partnerships throughout your city, and you are focused on a balanced triple bottom line strategy.” So things we do naturally because of our people, their heritage, and our love for this community, are actually making Grand Rapids a special American city—one of the top 15 in the nation.

So today – as the next step in our “process” of becoming sustainable – I will set some ambitious new goals for us. Today I challenge all citizens of Grand Rapids to rally behind a vision of balancing environmental sustainability, economic progress and social equity.

Accomplishing this vision will take hard work and sacrifice; but we are a people accustomed to working hard and to pulling together to accomplish seemingly impossible goals.

The first environmental goal involves energy independence. There is no reason that our municipal government should not secure its entire electric energy need from renewable resource power. We have achieved 20% from renewables in advance of the deadline I established in my 2005 State of the City Address. That is more than any Michigan city has accomplished to date—and more than most other cities in the Great Lakes watershed. We must continue to lead by our example. If we set out on a conscientious, aggressive program for achieving 100% renewable power, we can accomplish that goal by the end of the next decade. Accomplishing this goal is good for the environment, good for the health of our citizens and future generations, and good for the West Michigan economy as we create demand for new and innovative technologies!

Imagine it...all the City's power needs provided by wind, water, sunshine, landfill gas and...well, innovations in power production that haven't even been invented yet. Maybe we will produce our own power through a municipal electric utility. Maybe we will purchase power from others at affordable rates.

For today the “how” is less important than the “why?” And the why is self-evident: the quality of the air we breathe – the air we leave for our grandchildren to breathe – is of paramount importance. Further, the loading of greenhouse gasses into the atmosphere as the result of our municipal activities is compromising global climate. Sure, we are a small part of a global problem. But solving big problems involves many players, each doing its own part. As of today 772 U.S. Cities representing 77, 457, 882 citizens have signed on to an agreement to reduce greenhouse gasses. As one of 20 Michigan cities who have taken the pledge I'm proud that we're doing our part. Now we need to set some high expectations for our state. Today I renew my call, and that of the Urban Core Mayors of Michigan, for the Michigan legislature to adopt a robust Renewable Portfolio Standard early in 2008.

The second environmental goal involves changing out our municipal lighting to light emitting diodes (or LEDs). This process began several years ago as all bridge lighting was converted. Work then began on converting our traffic signals, a project we have almost completed. We have been working with a Michigan vendor experimenting with LED street light configurations that would meet our primary goal of providing safe and efficient lighting for our visitors and citizens. I am very familiar with this project. They've tried different configurations on a pilot street lamp outside my front door on Fulton Street. And yesterday – YESTERDAY! Timing is everything – City staff installed 12 new LED streetlamp heads along Fulton as part of the pilot project. We are still making design recommendations but we expect to proceed with additional installations this year. We are doing the math with the intent of finding a way to make the savings from reduced electric demand and lower maintenance requirements sufficient to amortize a municipal bond issue. Annual savings after the bonds are paid will generate even greater benefit to the City's general fund as the cost of energy continues to rise.

This adds up to energy we will not use and money we will then have available for basic city services.

A third environmental goal I set today involves the generation of wind power. I have been working with Cascade Engineering Company which is developing and marketing wind turbines for home and commercial use. We have begun to explore the use of these small wind turbines to add clean renewable power to the downtown energy grid. Imagine it: small, inconspicuous wind turbines positioned on one or more bridges or along the river shoreline, producing electricity whenever the wind blows. The project will provide visible testament to this city's triple bottom line focus—good for the people, good for the planet, and good for a local business' profit! In the near future, Cascade Engineering expects to have these turbines in production for home and small business application around the world. We can pilot them here, save the city money, and help a progressive local business pave the way to a sustainable global future.

Grand Rapids has achieved international recognition for our efforts at becoming “sustainable”. We are the only US city with the United Nations designation Center for Expertise in Education for Sustainability. Other cities talk about sustainability. We are doing it. As a model for others I feel the responsibility for pushing us hard to go where not many have gone before. In doing so we not only create an environment where our children can breathe clean air and enjoy pure water, but we build a base for the economy of the future by creating intellectual capital to grow our business and manufacturing opportunities.

Our Public/Private Partnerships

In late November I was visited by three representatives of a large US corporation, based in Boston. They were looking at Grand Rapids for a significant investment. I asked them a question similar to that I posed to Peter Courtney: Why invest in Grand Rapids? What was that first impression that focused your attention here? The answer was this: “You folks here have figured out how to get along between the public and private sectors. It seems like every other city where we work there is suspicion of government's intention by the private sector and paranoia by the government over private sector goals. But here you have great private/public partnerships built on trust.”

Think of it. How many public venues in Grand Rapids are built with serious philanthropic support? The Van Andel Arena, DeVos Place Convention Center, Cook-DeVos Life Sciences building, the Royce Auditorium, the Wege investment in the GRAM and the GR Ballet performance space, the Van Andel Public Museum, Secchia Hall of the MSU Medical School.

Grand Rapids is second in the nation in per capita giving to philanthropy. A significant piece of that giving is to public institutions.

Not only in philanthropy, there are other evidences of public-private partnership. Grand Rapids has made exceptional use of such economic development tools as Renaissance

Zones, Brownfield Redevelopment Act tax credits, industrial facilities tax abatements and our SmartZone Authority. Your Grand Rapids government has carefully but liberally stimulated the economy through innovative partnerships and strategic tax abatement so that new development and industrial plant expansion can thrive, bringing new jobs.

The positive results are clear: Grand Rapids leads the state in new development and job growth. Michigan Economic Development Corp. Director Jim Epolito recently referred to Grand Rapids as “the economic engine of Michigan.”

Government and private sector developers, builders and business owners, philanthropists and investors have formed a kind of pact in our area that is permitting metropolitan Grand Rapids to grow while the rest of the state flounders.

Nowhere is this partnership any more visible than on the Medical Mile. From the Michigan Hill to the intersection of Fuller Avenue, development in this part of our city is breath-taking. Just take a look at the screens and drive Eastward with me. The Van Andel Institute expansion, the MSU School of Human Medicine, Spectrum Health developments of the Lemmon-Holton Cancer Center and Helen DeVos Children’s Hospital, medical office buildings on the Hill and in at Midtown Commons, residential development, commercial offices, retail and light industrial, restaurants and coffee shops...the vitality spills eastward at an astonishing pace. What’s it all about? It’s certainly about philanthropy. It’s also about risk-taking capital investment. It’s about job-producing construction and job-producing permanent use. It’s about neighborhood vitality and creating important new spaces for community to take place while preserving valuable traditional assets. It’s about government and private sector working together to make this city the best city in the state of Michigan and a top-ranked city in the country.

Today it is my privilege to make a rather uncommon announcement. Uncommon because this sort of announcement is usually made at press conferences by corporations.

Would Craig Sturken, CEO of Spartan Stores please join me on the stage.

In partnership with Spartan Stores it gives me pleasure to announce this morning their intention to develop a new D&W Fresh Market on the site of the current Duthler Foods at Michigan and Fuller. This will be a one of a kind supermarket that will serve as the east anchor to the Medical Mile development. Duthler Foodswill move to Madison and Hall to better serve that neighborhood while Spartan Stores will invest \$8.0 million dollars in developing the new D&W Fresh Market. This 40,000 square foot, two level store will employ more than 150 people. That’s over 150 new jobs in Grand Rapids when this project is completed!

Spartan has gone far and wide across the country to bring back to Grand Rapids the latest in food shopping concepts. This grocery super market will provide fresh food options for people living in the nearby neighborhoods but will also serve as a magnet-market drawing shoppers throughout the metropolitan area and beyond.

A project like this one requires a high level of cooperation between government and the private sector. Serving as a guide and process broker, the Right Place, Inc. provides the support to private sector companies like Spartan from conceptual stage through ribbon cutting. The City's Economic Development Department, which walks with a developer like Spartan through planning, zoning, and tax incentive options, has distinguished itself in its accessibility and its advocacy for the developer.

Let me invite Mr. Sturken to say a few words about this exciting development.

The net result of this public/private partnership in this case is job growth, economic vitality in the city and a cool new grocery store! Other representatives of Spartan Stores, the Right Place and the Economic Development Department are here this morning and I want you to join me in congratulating them on this significant new investment in our community.

One other public/private partnership deserves a spotlight this morning. You are already aware of it. Its detractors have shown up in my email and in the Public Pulse letters. But remember – and I have to remind myself of this frequently – nothing new and different, no matter how good has ever been introduced into the world without detractors. So if we want to advance as a society leaders simply must expect, tolerate, and even learn from detractors.

The innovation I'm talking about today is the streetcar. It's kind of funny, really, to call this an innovation. At one time in our history the city was crisscrossed north to south, east to west with streetcar lines. In our modern era, post World War II, we decided that streetcars were old-fashioned, that every household should have a car – or two – and that mass transit was archaic, unnecessary. We tore up the rails. Bus ridership began a steady decline that didn't turn around until the mid 1990s.

But look what's happened to bus ridership since 2000: we have seen over 11% average annual growth in ridership; in seven years we have gone from four and one-half million rides to over eight million one hundred thousand rides. With gas prices rising rapidly and staying at high levels, with parking becoming increasingly more expensive, and with traffic congestion reaching intolerable levels by our mid-sized city standards, public transportation is the option many are selecting.

Now is the time to take this option to the next level. Last Spring a delegation of Grand Rapidsians traveled to Portland, OR, to see the streetcar system that operates there. We came back with significant learnings from that trip:

- Major development happens along streetcar lines. Residential, hotels, commercial, retail and institutional uses.
- People ride the streetcar who don't yet ride the bus. People with suits and ties and briefcases. Tourists. Office workers going out to lunch.
- But integration of the streetcar with the bus system is critical. Folks want to know that they can get from the fixed route streetcar to anywhere else in the region using transit.

- Finally, we learned that public/private partnership is critical to the success of a streetcar system. The private sector needs to embrace this transportation option. They need to ride it. But more importantly they need to support it through investment. In Portland, businesses sponsor train cars and stations with their advertising budgets. In Portland, a private non-profit organization owns the assets of the streetcar system and contracts operations to a private firm operating under the auspices of the City. With this level of partnership Portland's streetcar runs toll-free through two-thirds of its route.

But George, you say, Grand Rapids isn't Portland. This is true. But just over 20 years ago Portland was smaller than the urbanized area of metropolitan Grand Rapids today. Portland leadership made some important, progressive decisions about urban growth, sprawl and density. The result – less than three decades later – is that Portland is one of the most vital cities in the country.

Look at Grand Rapids today. There are but a handful of midsized cities in the Midwest that can compare to ours for quality of life, economic vitality and opportunity for education and personal growth. There are but a handful of cities of any size in the nation that can compare to ours in public/private partnerships. Surely, today we can not only make the bold decisions to invest in our future but we, better than most, can marshal the resources from private sector business and philanthropy to work side-by-side with local government to accomplish these bold visions. Streetcar is one of those investments that will pay us back dividends in economic development, environmental quality and improved social connectivity.

And it's a charming impression to share with our visitors and potential investors.

Conclusion

I have covered a lot of the waterfront this morning:

- Adult literacy
- Partnership with the schools to improve the lot of our children
- Environmental stewardship
- Economic growth
- Public transportation

I have set some lofty goals for us. I have put several stakes in the ground. I should be measured, perhaps not so much by what we have already accomplished or even what together we will do in the years to come, but by what visions I offer to stir your hearts. No city is great that rests on its past; and no leader is great who cannot challenge his followers to live into a city that is still but a vision. The poet Octavio Paz describes the great city as:

the city that dreams us all, that all of us build and unbuild and rebuild as we dream,
the city we all dream, that restlessly changes as we dream it...

This is my city, this is our city. A great city made great by the realized dreams of generations who have called this home. It is a fact that no city becomes great without vision. Yet it is equally true that no city becomes great without the hard work required to change that vision into reality. We have an innate ability to dream audaciously, stretch aggressively, work hard and stick the landing. Together we have launched our City and our region onto a trajectory of progress. We have created and we are sustaining a balanced triple bottom line momentum in a State otherwise racked by despair. The energy is evident in this room, on our streets, and in our neighborhoods. Our future lies in generating the energy to continuously accelerate that momentum, to visualize and then achieve great dreams for all of our citizens. We have accomplished much together as a community of partners. Let us go forth as partners committed to lend our shoulders, our helping hands, our talents to “build and unbuild and rebuild as we dream.”