

March 30, 2009

Mayor Mark Stodola
2009 State of the City Address

To Vice-Mayor Gene Fortson and to my distinguished colleagues on the City Board of Directors, to City Manager Bruce Moore, City Attorney Tom Carpenter, to all the Department Directors and staff here today, and to all the Little Rock citizens gathered here, let me welcome you to Southwest Little Rock and to our Community Center which has established itself over the years as City Hall South. The Community Center, built with Bond issue money, along with the Southwest Little Rock Police Substation and the Dee Brown Library, have come together to create a community destination that is teeming with people both during the day and at night.

It puts a smile on my face every time I come here for a neighborhood meeting to see the exercise classes, the pick-up basketball games, and the women's volleyball games under way. This center and the programming and activities carried on here serve as a good reflection of the "health" of our city.

Economy

Not a day has gone by in the last 6 months without a headline in the newspaper proclaiming our economic woes, stock market is reeling, banks are bellying up, and bailout after bailout is being requested.

- The National League of Cities recently reported that 92% of cities recently surveyed expected to have trouble meeting their needs this

year. Four in five (83%) of city finance officers surveyed say they have had to cut expenditures and services, with most, 70%, instituting hiring freezes and/or staff layoffs.

- 50% of the cities surveyed reported difficulties in accessing credit and obtaining bond financing.

Like many of you, I have watched closely as communities around the country confront dire situations in which they have proposed severe budget cuts and even layoffs of police officers. The City of Atlanta laid off 441 employees and cut an additional 347 vacant positions when it faced a projected \$60 million budget deficit. The City of Memphis faces a \$12 million deficit this fiscal year and a \$25 million deficit next fiscal year and is offering a buyout to its city employees. The City of Austin has seen a 4% fall in sales tax revenue and is cutting \$15 million from its budget and has implemented a hiring freeze. The mayor of the Detroit has proposed a 10% wage cut, has considered leasing city assets and has warned that 1,000 jobs would be cut without these changes. New York City mayor Michael Bloomberg has proposed raising the city sales tax to 8.75%. Our city sales tax is ½ %. Philadelphia cut salaries and personnel in January, leaving 200 police positions unfilled. Philadelphia Mayor Michael Nutter has proposed increasing the property taxes by 19%, raising the sales tax from 7% to 8%, cutting 250 jobs and making changes to the city's pension plan. Nationwide, 2 of 3 state or local law enforcement agencies have reported budget cuts or hiring freezes. The number of police officers per capita across the country has been reduced by 9% since 2000.

I want to tell you about the city we live in . . .

I am pleased to report that the City of Little Rock is maintaining a stable financial outlook, and increasing tax revenue, during these uncertain times. While many cities face falling revenues and massive cuts in city services, Little Rock continues to buck the national trend with a modestly healthy economy, housing market and low unemployment rate despite the economic crisis we find ourselves in. The city's sales tax collections for 2008 rose 3.6% as compared to 2007's collections and 1% over the 2008 budget. And while sales tax revenue for January 2009 was down 1.79% from the previous year, this is much less of a negative impact than other cities have experienced and only slightly increases the sales tax growth rate we need to meet our 2009 budget. Additionally, our Advertising and Promotion Commission collected 6% more revenue in 2008 than in 2007, which means that our restaurants and hotels have been attracting guests and tourists throughout the national economic downturn. As a result of this success, the A&P Commission was able to put \$1.4 million into its reserve accounts earlier this year. I want to publicly thank our Vice-Mayor Gene Fortson for the guidance and fiscal discipline he has contributed to the Commission. His steady hands have contributed to the Commission's success and allowed for the purchase of a critical corner of land that is vital to the future of our convention center.

New Business Growth

Over the past year, many companies have announced plans to open new businesses in Little Rock or to expand their current businesses here, which will create 1,912 new jobs and, while some companies have closed or

announced layoffs, Little Rock has seen a net gain of 950 jobs from the previous year. Some of the biggest announcements of the past year include:

Polymer Composites – 630 jobs

Dassault Falcon Jet – 319 jobs

Hawker Beechcraft Corporation – 150 jobs

Wind and Water Technology – 200 jobs

Southwest Power Pool – 124 jobs

Sage V Foods – 60 jobs

Cameron Valves – 50 jobs

Thanks to our economic development successes, Little Rock has been recognized nationally. Earlier this year, *Southern Business and Development* magazine placed Little Rock at the top of its list of Southern cities that are having banner years in economic development. The magazine proclaimed, “If Little Rock were a stock, I’d buy shares in it.” Additionally, earlier this month, *Site Selection* magazine named Little Rock as one of four cities – along with Austin, TX; Baton Rouge, LA; and Oklahoma City, OK – that is “shining through a cloudy economy,” citing these four cities as some of the best examples of how to navigate through a recession. The magazine recognized Little Rock’s success in attracting businesses in the wind industry as one of the leading factors in our economic growth. In February, the front page of *USA Today* ballyhooed

Little Rock's stable economy and the *LA Times* proclaimed Little Rock "on a roll" in a story on March 22nd.

While many cities across the country are suffering from falling housing markets, Little Rock has mostly avoided that calamitous situation. In January, *Forbes* magazine named Little Rock as one of the country's 25 strongest housing markets. Earlier this year, U.S. home resales hit a 12-year low, while the median sales price of previously owned homes in the Little Rock metropolitan area rose 3%. Compare this to the National Association of Realtors announcement last week the national median home price had fallen 15.5% in February as compared to the same time a year ago.

While other cities have encountered devastating foreclosure rates and other housing problems, Little Rock has mostly avoided the crisis as compared to other parts of the country.

As the national economy has worsened, unemployment rates have risen in many communities across the country. Thanks to aggressive economic development efforts, Little Rock's employment rate is 94.1%, according to the latest figures. Our unemployment rate of 5.9% is lower than the state-wide rate of 7.3% and is considerably lower than many other cities in the state, including Fort Smith (7.7%), Hot Springs (7.2%), Jonesboro (6.2%) and Pine Bluff (9.4%). Other cities in our neighboring states are experiencing unemployment rates much higher than our own, including Memphis (8.3%), Jackson, MS (7.1%), Nashville, TN (8.0%), Austin, TX (6.4%), Shreveport, LA (7.3%) and Birmingham, AL (7.4%). According to the latest *Manpower Employment Outlook* Survey released two weeks ago,

the employment outlook for the Little Rock area is ranked among the top 10 in the nation. Area employers expect to hire at a healthy pace during the 2nd quarter of 2009. 22% of area companies interviewed said they plan to hire more employees and another 62% expect to maintain their current staff levels.

So you see, Little Rock has to date been weathering the economic storm quite nicely.

American Reinvestment and Recovery Act and Congressional Appropriation

Considering the economic stimulus package advanced by President Obama and recent congressional appropriations, I predict that while the 1st quarter of 2009 is going to continue to show the flu symptoms of an economic recession, things will begin to improve in the 2nd quarter of 2009. Why do I think this? Consider the following:

- Based on stimulus money and congressional appropriations, \$37.5 million dollars is now available for improving the I-430-I-630 interchange. Little Rock will also have \$4 million for construction of a two-lane road and railroad overpass on the South Loop and \$2.5 million to reconstruct Scott Hamilton from a 2-lane road to a 4-lane road with curbs and gutters from J.E. Davis to Baseline Road.
- Stimulus money will inject an additional \$1,128,293 in Little Rock with CDBG monies of \$446,096 and \$682,197 for Homeless Prevention.

- A just-announced appropriation of \$1.1 million will be spent on the Fourche Creek Bayou Basin Project, which will commence additional land acquisition, park development, including trails, boardwalks, interpretive graphics and other supporting park amenities.
- Little Rock has received an additional appropriation of \$500,000 toward our Communication Interoperability Digital Migration plan, which will improve our public safety communication systems and allow integration with the state's AWIN system.
- \$1.97 million dollars in stimulus money has been received for implementing various energy efficiency measures. A particular focus of the President is on low-income weatherization assistance programs, which will allow up to \$6,500 in energy conservation measures to eligible recipients. The City Board is committed to assisting our citizens with ways to lower their energy costs. The money allocated in this area should also allow for additional job training programs and create jobs that put people to work.
- The Little Rock Housing Authority has received \$2.6 million in stimulus money for various housing needs throughout the city.
- In the area of public safety, coupled with the 7 additional officers we received grant funding for in 2008, we will be submitting grants for stimulus money to hire additional police officers. This will give Chief Thomas greater manpower options with his special operations squads and community-oriented police officers deployed to Alert Centers throughout the City.
- To help with our public safety efforts we just received word that we will receive \$1.9 million Justice Assistance Grant money from the

Recovery Act. I, along with the City Manager, will be meeting with Chief Thomas to determine how best to spend this money in way that will further protect our citizens.

- As we receive additional information and details from Washington, we will be competing for and hopefully receiving additional funds for the building of additional fire stations in Southwest Little Rock and West Little Rock, which City Directors Michael Keck and Brad Cazort have been working so hard to realize.
- The award of a federal SAFER Grant in February of this year, allowing us to hire an additional 18 firefighters, gives us great hope that we now have the man and woman power to realize the long-held dreams of Directors Keck and Cazort.
- Our airport has received \$2.8 million for the rehabilitation of Taxiway Delta.
- Central Arkansas Transit has received \$5.4 million for new buses and office repairs.

Crime Rates are Dropping

In the area of public safety, 2008 saw substantial decreases in both violent crimes and property crimes. Compared to the previous year, 2007, the overall violent crime rate was down 21.2% and the property crime rate was down 7% from the previous year.

Despite some tragic and high-profile homicides in 2008, of particular note within these statistics, homicides were down 29.63%, robberies were down 20.02%, aggravated assaults were down 23.83%, burglaries were down 9% and thefts were down 6.25%.

The Little Rock Police Department should be commended for their efforts in this regard. It is evident that both Operation Quiet Nights (focusing on violent crimes) and Operation Phoenix (focusing on burglaries) and Operation Night Strike are having a positive impact. Let's hope these numbers continue to hold through the 2009 calendar year.

While this is very encouraging news, particularly since the Pulaski County Jail remains closed to non-violent offenders, as neighbors we must continue to look out for one another. We must all remain vigilant in calling the police about suspicious activities occurring in our neighborhoods. Please don't hesitate to call 911 if you are witnessing suspicious activity.

I often receive comments and suggestions on ways our Police Department should regularly patrol the various neighborhoods in our city.

LRPD adheres to a philosophy of random patrols for its patrol units, with the officers circulating through their district in order to cover all the territory. Intentionally, this circulation does not follow a consistent pattern, so offenders cannot predict when an officer will be in a particular area.

While this is an effective means of patrol, one of the consequences is that citizens cannot predict when they will see the officer assigned to the neighborhood, giving the illusion at times, that no officer is patrolling the area. This is not the case. When our Crime Analysis Section detects a 'hot spot' area, Chief Thomas responds in a variety of ways. These strategies include assigning additional cars to patrol the area, pulling in

officers and detectives to work overtime on auto break-ins and burglaries, staking out suspects' residences and monitoring bait cars. Bicycle officers may also be deployed depending on the particular facts of the situation.

On a positive note, the Pulaski County Quorum Court recently appropriated approximately \$1.2 million for an additional 100 beds at the County jail. This will increase the bed capacity to 980. Also, with the passage of Act 209 of this session of the General Assembly, a total of \$20 for each fine can now be assessed in the courts of Pulaski County for jail funding. This should raise enough money for an additional 75-80 beds before the end of the year. Sheriff Doc Holladay is immediately hiring and training jailers for this ramp up. Also, by the end of the year, Pulaski County will have another million dollars freed up with the pay off of an outstanding bond issue. The hope is that this additional money can then be made available for the jail to bring it back up to its current capacity of 1,130 beds.

Neighborhoods

Of course, the character of a city is defined by its people and the various neighborhoods that they call home.

Over the past year, several initiatives and activities have commenced with many being led by the various city directors. In Ward 6, Director Doris Wright has embarked on an ambitious plan to revitalize the commercial corridor along Colonel Glenn Road. An integral part of that corridor includes the West Central Ballpark Complex, which has become a vital recreational area for the adjacent neighborhoods and

Director Wright continues to zealously look for creative funding mechanisms and grant opportunities to fund a community center in that location. The passage of the new Mobile Home Ordinance will not only help Director Wright in Ward 6 but will also help Ward 7 Director B.J. Wyrick to eradicate the mobile home blight which exists on several streets in Southwest Little Rock, which she has worked so hard to eliminate.

In Ward 2, City Director Ken Richardson has been assisting in the coordination of several planning efforts and projects that have been initiated by the many stakeholders in the area. With Director Richardson's guidance and direction, the City has partnered with UAMS and the Central Arkansas Library System in the funding of a year-long community-driven planning process for the revitalization of the 12th Street Corridor. This includes a new Children's Library off 12th Street in War Memorial Park, the expansion of St. Mark Baptist Church, the neighborhood revitalization efforts of the UDCDC, the development of the Black Community Developers Empowerment Center and the construction of a new Midtown Police Substation adjacent to the Willie Hinton Neighborhood Resource Center. Director Richardson and I are happy to announce that an architect has been hired and along with the Police Chief, we will be developing a substation and other complimentary uses on the soon-to-be vacant block bounded by Pine and Cedar Streets. We should break ground in the 3rd quarter of this year on this key component of the 12th Street revitalization plan.

This past year has also witnessed the redevelopment of the South End of Little Rock. I was very proud to stand with Director Erma Hendrix as

we took part last year in the groundbreaking for 17 new single-family homes on the site of an old housing authority project off Roosevelt Road. Neighborhood revitalization has been a priority of Director Hendrix and she is vigilant in giving the City Manager and myself lots of addresses of blighted and burned out homes that need to be torn down. I know she is also proud of the new apartment units that are being built adjacent to the single-family subdivision, evidencing the re-birth of the South End.

At the beginning of my remarks I mentioned the Southwest Community Center as a vital component of this part of town, but I also want to talk about its neighborhoods and the people who call this part of town “home.” First, with guidance and leadership from Directors Joan Adcock and B.J. Wyrick, we have been making successful progress in the area of code enforcement. With code officers and police officers working in partnership with the West Baseline Neighborhood Association and SWUPS, many neighborhoods are beginning to improve their appearance. People are taking a greater pride in the streets where they live. Southwest Little Rock clean-up projects are being organized, with the next one to be held on April 25th, and task forces have been created to strategize the revitalization of the main thoroughfares in Southwest Little Rock.

Last year, in the area of street and drainage maintenance activities in Southwest Little Rock, the City expended \$870,000 in labor, equipment and material. This involved 37,900 labor hours, 4,830 miles of street sweeping, 74 miles of litter pick-up and 33 miles of ditch cleaning by

hand. In addition, \$6.3 million was spent in curbs, gutters and lane expansion on Mabelvale Pike and Mabelvale Cut-Off.

Southwest Little Rock also benefitted from the following private sector developments:

- J.A. Riggs tractor expansion – University and I-30
- Coleman Place Apartments – Asher Avenue at UALR
- America’s Best Inn and Suites – I-30 and Mabelvale Pike
- Little Rock Job Corps Center, U.S. Department of Labor – 6900 Scott Hamilton
- Ponds Edge Residential Subdivision on Vimy Ridge Road
- Stagecoach Crossing Residential Subdivision – Stagecoach and Herndon Road
- Beatty Court Residential Subdivision – Stagecoach Road
- The City and State Workforce Complex on South University

The City also spent \$883,373 on 17 various PIT programs in Southwest Little Rock.

During 2008, the City installed new basketball goals at Otter Creek and restrooms. Of particular concern, and due to the efforts of Director Wyrick, Morehart Park upgrades were initiated, with more to hopefully come through the 2009 Parks Revenue Bond Refunding, which is slated to come before the Board of Directors in April of this year.

Speaking of the Bond issue, not only will we be adding playground equipment here with the Community Center, we will also be making substantial capital improvements in our Parks, including the acquisition of

Western Hills golf course, additional land for the West Central Ballpark Complex, renovation of the Rebasamen Tennis Center, improvements to several neighborhood parks, and football and soccer fields in West Little Rock.

While the national economic crisis has played havoc in the bond market, the delay may have worked to our advantage. Our premise on the re-issuance of the bonds has always been to levelize our payment to the same amount we are now paying for the 1998 issue. When I first brought this forward, our best estimates indicated we would have about \$6.5 million to put in our park system. If the market of today holds, that number has increased. Our current estimates indicate we may receive approximately \$6.9 million. So there may be an additional \$400,000 the Board will have an opportunity to appropriate for parks.

I would like to particularly note the park efforts of some of our other City Directors.

City Director Stacy Hurst has been willing to take on the challenging leadership role of renovations to War Memorial Park – working with all sorts of strong-willed and opinionated groups. Due to these efforts we will be investing \$1.65 million into the Little Rock Zoo which has also been a priority of Director Cazort; investing \$1.25 million in bond proceeds into the Park and perhaps more. At Director Hurst's urging, we have taken the bull by the horns on dealing with Ray Winder Field – looking at possible future uses – while the state of Arkansas owns virtually half of the ball field as well, the City is taking the lead in resolving this challenge.

I am confident that as we consider the various proposals for the ball field – the Board of Directors will make a serious and conscientious decision to do what is ultimately in the best interests of Little Rock’s future. Working with CALS on the location of the children’s library will allow for additional land acquisition and expansion of War Memorial Park south of the Interstate. I want to thank Director Hurst for her leadership in this endeavor.

Director Dean Kumpuris has developed so many attractions in Riverfront Park, they are almost too numerous to mention. Last year, under Director Kumpuris’ leadership, the City opened the Peabody Children’s Park, which incorporates a natural environment with structured playtime exploration. The Children’s Park has received local and regional awards and national recognition. Director Kumpuris has been the driving force for outdoor art and sculpture in the River Market and in Riverfront Park, highlighted this past year by the second annual “Sculpture in the River Market” show which assembled 47 nationally recognized artists from Arkansas and other states. And this year, Director Kumpuris and Phil Herrington have raised nearly \$2 million dollars to develop the Bill Clark Wetlands Park adjacent to the Clinton Library. With the exception of a \$450,000 federal grant from the U.S. Fish and Wildlife Service, all of this money has been raised from the private sector.

Everyone knows of City Director Joan Adcock’s love for the most vulnerable residents of Little Rock. Under her guidance and leadership, the Little Rock Animal Village will be expanded this year with an educational wing and another dog park will be created on the grounds with bond proceeds.

Recognizing that a city's "quality of life" amenities are what give a city its rich character and textured fabric, I continue to work hard on the scenic Arkansas River Trail; engineering work has begun to the west and the Clinton Foundation has substantially completed its design and engineering drawings. Money to complete the bridge is being raised and President Clinton has said it is one of his highest priorities.

We have embarked on a city-wide Preservation Plan and just last week we received word that Little Rock and our Main Street have been accepted as an Alumni Technical Assistance project of the National Institute on City Design, which is comprised of the U.S. Conference of Mayors, the American Architectural Foundation and the National Endowment for the Arts. I will be leading a three-day strategy session, which is being planned, that will involve the landowners along Main Street and interested stakeholders. It is my sincere hope that this effort will result in the rebirth of vibrant activity on Main Street.

2009 will also witness the establishment of our Complete Count Committee for the 2010 Census. This process is so important to the city – I need everyone's help, particularly here in Southwest Little Rock with our burgeoning Hispanic population to ensure that everyone is counted – it is directly tied to the many federal funding programs Little Rock receives that are based on population.

Homeless

We continue to explore our options for locating a permanent "Homeless Day Resource Center." The former U.S. Job Corps Center on Interstate-30 and 21st Street is a possibility. If the City can acquire this federal surplus

property, not only can we provide a day shelter for those less fortunate, but we will also be able to develop job training programs on-site and locate many of the service providers at the facility. The stereotypical image that most homeless people are 50-year-old drug addicts and alcoholics needs to be shattered. It involves women, children and families. The National Center on Family Homelessness released a report earlier this month that says 1 in every 50 American children will experience homelessness, with many states having inadequate plans to deal with this ever-worsening problem. Arkansas is in the bottom 5 states out of 50 along with Texas, Georgia, New Mexico and Louisiana. If this location becomes a reality, I intend to see that it is a model program nationally and I pledge that the safety of the neighborhood will be paramount, with its location spurring neighborhood and housing revitalization throughout the area.

Very shortly, we will be announcing our efforts to hire 6 code enforcement officers – positions that have remained vacant this past year and City Manager Bruce Moore and I are committed to improving our code enforcement activities this year. Clean streets will be our mantra.

These types of ongoing operations, under the capable direction of our City Manager, coupled with new ordinances such as the Extended Stay Motel Ordinance; the Mobile Home Ordinance and the Potentially Dangerous Breed Ordinance, all passed this year, collectively will continue to improve the varied neighborhoods of Little Rock making it a wonderful place to live.

There is no question Little Rock is looked to for leadership in so many ways.

Our Dangerous Breed Ordinance has received support from the National Humane Society and is being requested by municipalities across the country. The passage of this ordinance has resulted in over 306 pit bulls being registered and over 1,190 being impounded.

Little Rock's Scrap Metal Theft Ordinance, passed this last year, was used as the model for statewide legislation during this year's session of the General Assembly and is now a state statute.

This year you will see the city foreclosing on several city liens, holding absentee landlords and slumlords accountable and using the \$300,000 we have committed to our revolving fund to begin the purchase of properties key to the revitalization of our midtown neighborhoods. The Landbank, our CDCs/Community Housing Development Organizations, and the Housing Authority will all be instrumental in the success of this endeavor.

Our DBE Construction Mentoring Program has gotten off to a great start. I want to compliment Bob East of East-Harding Construction for his leadership in this endeavor as well as all of the major construction firms for participating.

Environment

One of my first actions as a Mayor was to sign on as a supporter of the Kyoto Agreement, which pledges to meet or beat Kyoto Protocol targets, urge governments to reduce greenhouse gas emissions by 7% to 1990 levels by 2012, and urge congress to pass bipartisan greenhouse gas legislation which would establish a carbon cap and trade system. Now over 920 mayors from around the country have also signed. I am proud that the Mayor's Sustainability Committee is continuing to explore ways Little Rock,

as a municipality, can be a leader in promoting a green agenda. This includes recommending changes in our housing codes; more LEED certified residential construction, increased efforts of recycling, and a “Sustainability Summit” slated for this fall.

Our recycling coordinator, Melinda Glasgow, has recently embarked on a program to reduce the use of plastic bags in our shopping habits, and the Sustainability Committee has developed a model program for recycling in office buildings. We are making good progress on the Recycling front. Our overall residential recycling has increased from the year before by 8.8%. The number of Little Rock households doing weekly recycling is now 37.6%, which compares well with most cities in the country.

Finally, let me say thank you to the unsung heroes of 2008. Under Bruce Moore’s leadership, our Public Works Department did a fantastic job cleaning up the city after last year’s tornadoes. The buzz of chain saws could be heard throughout the city as the Public Works Department hauled away 3,528 tons of debris after the tornado. That is 7,056,000 pounds of debris. Our Police Department worked 29 officers, 365 hours, traveling over 9,626 miles that weekend responding to specific tornado-related calls.

I believe the professional competence of our many departments is unmatched, and while there is always room for improvement, I know the 2500 people who work for the City are dedicated to making Little Rock a great place to live. I, along with my colleagues, intend to make Little Rock the next great American city in the South.

Thank you very much for being here today and God Bless you. Please join me for a reception. Thank you for attending.