

State of the City 2011

Mayor Mark Mallory

City of Cincinnati

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Duke Energy Convention Center



Times are tough across the country. Banks are not lending money, people are out of work, and citizens are worried about their futures. Two guys decide that they are going to go into business for themselves, call them Jim and Bill.

Against all odds, Jim and Bill invested their wisdom, their time, and their money, and they built a company.

They probably had all kinds of people telling them “now is not the right time, you cannot start a company in these economic times.” If those two men had listened to the naysayers, Cincinnati would not be home to the largest consumer product company in the world, Procter and Gamble.

Times might be tough right now, but that does not mean that we stop. That does not mean that we give up. That is when we fight the hardest. We are facing some of the same challenges today that Jim and Bill faced in 1837, and I am sure they heard plenty of negative things about what they were doing. “Now is not the time.” They say the same thing today. The naysayers keep saying we need to slow down; we need to pull back; it is not the right time.

People use the phrase “in these economic times” as an excuse to pull back, as a reason not to do things, but they have it backwards. “In these economic times,” that is when you have to put money into things that are going to grow your economy.

In these economic times, we need to be bold when others are scared. That is how you prosper.

And that is exactly how the city of Cincinnati has grown over the years.

Throughout our history, there have been people, there have been organizations, and there have been leaders who have pushed forward. They have made gains; even in tough economic times.

I have that same philosophy. I get that from my parents. If you tell either my mother or my father that they cannot do something, they are going to fight that much harder.

It comes down to what you want to focus on. I can give you a laundry list of why we should not be doing great things, but that is not what I do. That is not who I am, and that is not the history of our great city.

You will never come to a State of the City Address that I give and be subjected to 45 minutes of negative energy.

Instead, you will be reminded about the times when Cincinnati persevered, because we must persevere through hard times.

It is much easier to invest when you have a bunch of money. It is much easier to encourage people to do things when the economy is up. The downtimes are when it gets tough. But, as I have said before, it is not about how tough the times are, but what you do in those times.

Look at the Banks Project. Just a few days after I took office in 2005, the developer the county had been working with pulled out of the deal. Everyone told me the Banks will not happen, just leave it alone. And I said this is not the end of the Banks. This is a new beginning. And I did not let it die. We got together with the county; we found a new developer; and we inked the deal.

The Banks opened last month. I was there. The first night at the Holy Grail, it was packed. Just a couple of days ago, the first residents of the Banks Apartments moved in.

Trent Germano is the Vice Chairman of Carter Real Estate, the developer for the banks. He believed in the project, and he was a big part of making it happen.

I got an email the other day. This is what it said:

“Mayor Mallory, I am writing to let you know that my wife and I are relocating from the Boston to Cincinnati. The improvements to the Cincinnati infrastructure that have occurred during your tenure as Mayor are the driving factors behind this decision.

“While learning about the Queen City, I discovered that Cincinnati was able to thrive during the Great Depression and I can’t help but to draw a comparison now. My wife and I are both excited to come out to Cincinnati and be a part of this impressive upswing.

“This week, my wife and I will be flying out to tour our apartment that we have reserved at the Banks.”

Well, I am glad that I did not listen to the naysayers, the folks who told me to let the Banks die, because that is not leadership.

What brings people to a city is when there is clearly something going on, when the city is on the move. People want to be in cities where things are happening.

And clearly things are happening in Cincinnati.

Look at Downtown. You can come Downtown on any day of the week, and restaurants are full of people, and the square has something going on. Game day or not, downtown is the place to be. And I am telling you right now, if you have not been downtown in a while, you are missing out.

And downtown is about to get a lot hotter too. Recently, construction began on the Cincinnati Horseshoe Casino. It is a project that will bring close to 2,000 jobs and millions of dollars in revenue to our City. But more importantly, it is going to add a lot of energy and a lot of excitement. (Casino Video)

What you just saw is the most recent concept of what the Horseshoe Casino will bring to Cincinnati, and it will add a lot to Downtown and the surrounding neighborhoods of Pendleton and Over the Rhine.

And speaking of Over the Rhine, 3CDC is working hard there. They continue to move up Vine Street. "In these economic times," 3CDC continues to improve Over the Rhine. \$200 million has been spent so far redeveloping the area. Few cities are seeing the type of rebirth that we are seeing in our urban core.

They are also redeveloping Washington Park, a \$44 million project which will include an underground garage and an expanded and redesigned park. And the park is going to reopen spring of 2012, just in time for the World Choir Games.

That kind of investment, \$44 million in "these economic times," that is exactly the kind of investment that we need. That kind of investment grows our economy. We are investing in our future.

At a time when the housing market is the weakest it has ever been, we pushed forward with CiTiRAMA. In Northside, last June, we made 35 sites available for homes to be built. Some may have doubted that the project would work, but they were wrong.

As a matter of fact, the lots all sold in 10 days. Twenty-eight homes have been built so far. The show had record breaking attendance. Several builders constructed green homes. As a matter of fact, did you know that Cincinnati is the only city in the United States where you can get a 15 year tax abatement if you build a green home?

Some would have said "don't move forward with CiTiRAMA. You can't sell houses in this environment." Well we did, because we were bold when others were scared. That is how you prosper. (CiTiRAMA Video)

We were so excited about the success of CiTiRAMA that we are going to do GREENarama, in Columbia Tusculum, where all of the homes will be green homes.

Let me tell you another effort to green our community.

The old Fay Apartments are being converted to the Villages of Roll Hill. More than 700 units of renovated, affordable housing will become the largest green housing development in our country, happening right here in Cincinnati.

And we are rehabbing foreclosed homes all over the city: College Hill, Madisonville, West Price Hill, Westwood, Northside, Bond Hill, Avondale and Evanston.

“In these economic times,” we look for opportunities to help people make it through. There are people all over the city who go to check cashing places. You know the ones that have neon signs in the front, payday lenders. People who use those places, on average, spend about \$900 a year in fees. “In these economic times,” people need to be able to save that money. And the best way to do that is by dealing with a bank or a credit union.

We plan to transition 8,000 people from dealing with payday lenders to dealing with banks or credit unions through an initiative that I call, Bank On Greater Cincinnati. I want to thank Smart Money Community Services, a great local non-profit, and fifteen area banks and credit unions who are partnered with me on this initiative. This initiative is going to change people’s lives.

We are also going to change people’s lives in a different way with a huge project that almost nobody knows anything about. We are about to invest hundreds of millions of dollars in Millvale and Fairmont. Let me show you what we are going to do there. (Lick Run Video)

Tony Parrot, Director of the Metropolitan Sewer District, is taking the opportunity to do something dynamic that will create nearly 1,000 jobs.

We are going to take a polluted creek, and we are going to clean it up. And in the process of cleaning it, we are going to create park space and an opportunity for private investment and development. Those communities have been held back by a polluted waterway for decades. By cleaning up the creek, we are going to dramatically transform the quality of life for the citizens of those neighborhoods.

That is going to be a tough project. But you know, things that are easy get done because they are easy to do. Things that are difficult get done because there is a person or a group of people who push to accomplish a task. That is the difference. Nothing great is done without difficulty.

Like the streetcar, if it were easy to do, it would have been done by now. The streetcar project will bring jobs and development to the city and that is why my administration will continue to pursue the streetcar. And yes, we will do it in the face of opposition. The reality is opposition never built anything. Only optimism builds.

I am sure there is opposition in the other 80 cities that are pursuing streetcars. But I will tell you what happens after a city builds a streetcar, there is not any opposition. It goes away, because people start fighting to get the streetcar in their neighborhoods. And that will happen here in Cincinnati. Just like we built the banks, we will build the streetcar.

When I talk about any great institutions of business, education, medicine, it is because there has been some driving force to build it, to fund it, to open it, to maintain it, and to make it great. You can turn in any direction and find examples of the drive that brought us great things in this city.

People come here from around the world to study our architecture. And one of our great architectural gems is the Cincinnati Union Terminal.

The agreement to build Union Terminal was reached in 1928. Just a year before the stock market crashed. I am sure right after that people said “in these economic times” should you really be building a train station? Well, they did, and Union Terminal opened in 1933. It had a capacity of more than 200 trains and serviced thousands of people every day. In 1990, it was turned into The Museum Center, which now attracts 1.5 million visitors annually. And last year it won a prestigious national award as one of the top museums in our country. That is another example of pushing it through.

In my first year in office, we began to tackle the problem of lead paint in our communities. People said that it was too expensive; that it would not work; that we would not be able to make a difference. Well our Health Department got a \$3 million federal grant to make homes lead safe. And we did so well that the federal government gave us an additional \$4.5 million that will allow us to clean even more homes.

Because we pushed forward thousands of Cincinnati children have been rescued from unsafe living environments.

This year we launched our new enhanced recycling effort. There were plenty of people who said now is not the right time to buy new recycling carts. We should wait until it is a better financial time. But once again, we did not let the naysayers stop us. We forged ahead and we delivered new, bigger recycling carts across our city. And after just three months, it has been a tremendous success.

The number of Cincinnati’s who recycle is now substantially higher than it has ever been. Seventy-two percent of Cincinnati’s households now participate in our recycling program, and so far this year we have recycled 36% more than we did in the first quarter last year.

Let me talk money for a second. Last year, our recycling program was costing \$88,000 a month. The new recycling program was projected to reduce that cost to \$41,000 per month, a little more than half. The program has been so successful that last month we only spent \$5,000. We went from spending \$88,000 a month to spending \$5,000. That is the kind of efficiency that the Office of Environmental Quality is bringing us, under the leadership of Larry Falkin.

Speaking of savings, in 2007, I said that we were going to cut the City’s energy usage by 10% in 4 years. We have cut the City’s energy usage by more than 15%, saving the City over \$1 million last year.

Those are the kinds of creative approaches to that we need to deal with our on-going budget issues. And as we approach this next budget, I am going to work with Council to ensure that our next budget continues to keep our community safe, invests in creating jobs, makes our neighborhoods strong and vibrant, and is balanced, fair, and forward looking.

Many of you probably saw me on Undercover Boss. Through my experience on that show, I have learned a lot about City employees and public service. I found out how hard our employees

work. There is a perception that public employees do not work as hard as everybody else. Well, I learned firsthand, that is not true.

They are the people who fill pot holes, pick up dead animals. They are electricians, mechanics, architects, engineers, accountants, lawyers, planners, nurses and doctors, chemist, and IT professionals. City employees work 24 hours a day. As a matter of fact, at this very moment, there are hundreds of City employees out there working to keep our city safe, clean and running. I want our public employees to know just how much I appreciate the hard work that they do every day on behalf of the citizens of Cincinnati. If I have not said it enough, thank you very much for your service.

You know when I think about public service, I think about my friend David Crowley. He spent his entire life in public service committed to others, and I want to pay a special tribute to him. (Crowley Video)

David Crowley worked tirelessly on a lot of causes; including public education. If he were here tonight, he would be so proud of the progress of the Cincinnati Public School System. The CPS graduation rate grew from 51% in 2000 to 80% last year. College enrollment increased 10% in the last 4 years. And now, the Cincinnati Public School System is the highest-rated urban school district in the State of Ohio. I just want to take this opportunity to thank the teachers, the administrators, the staff, Superintendent Mary Ronan, and of course the students of Cincinnati Public Schools for their accomplishments.

When we are talking about public education, we are talking about investment in young people. There are a lot of people in our community who are committed to improving Cincinnati by empowering young people to take on the challenges of the future. That is what MuralWorks is committed to doing, while at the same time beautifying our neighborhoods. We won the US Conference of Mayors' City Livability Award for MuralWorks. (MuralWorks Video)

Let me bring this all the way back around, we have invested hundreds of millions of dollars in our neighborhoods, we are building new homes, we are building new parks, we have signature projects being built in our urban core. But the single biggest investment we can make in our city is keeping our community safe.

That is why public safety remains my number one priority. We recently hired a new fire chief. I want to take this time to officially welcome Chief Richard Braun. Our firefighters do a great job, and I know that under the leadership of Chief Braun, we will see even more success.

In fact, in the 45 days he has been on the job, he has already made improvements. In order to make sure that the full range of safety services is available, we now have a paramedic on each run that the Fire Department makes.

The Cincinnati Initiative to Reduce Violence or CIRV is the backbone of how we keep our community safe. And it is working. Violent crime is down. Last year, thanks to CIRV, we broke up several large drug operations.

Let me give you a rundown of some of CIRV's accomplishments.

In the West End, a 15 member criminal group has been indicted in federal court.

In August, a 4 month CIRV investigation led to the arrest of 38 members of an East Clifton Gang. They are going down on drug and weapons charges in state and federal court.

And, in East Price Hill, a covert CIRV investigation led to 50 people being indicted for a variety of drug charges.

Since public safety is the number one priority, CIRV has to be a necessity.

We should celebrate our success but not rest on our laurels. A city can never be too safe.

And while public safety is a community effort, we all depend on the great work of the Cincinnati Police Department.

Any successful organization requires strong leadership, and the Cincinnati Police Department is no exception. (Streicher Video)

Chief, I just want to thank you for all the hard work that you have done as Chief of the Police Department and for all of the reforms that have given us national acclaim. Thank you.

A priority for me, right behind public safety, is economic development. And I will say it again, when I use the term economic development, I am talking about jobs. We have recently worked a deal with First Financial, to move their headquarters to Downtown Cincinnati. Claude Davis, President of First Financial, showed his commitment to the growth and vitality of our city by bringing 150 jobs to Downtown.

First Financial made that decision in "these economic times." But they are not the only ones, who have made the decision to invest in Cincinnati when times are tough.

P&G, continuing its pattern of pushing through the hard times, worked a deal with the City, to move 650 of its employees Downtown from other locations.

Kroger has brought nearly 200 jobs here over the past two years from cities like Portland, Denver, Phoenix and L.A. Ipsos opened a new office in a development the City helped build in Columbia-Tusculum. Burke Inc. opened a new headquarters Downtown. Graeter's Ice Cream opened a new plant in Bond Hill. Eurostampa opened a new headquarters in Bond Hill as well.

And Good Samaritan Hospital broke ground on a new building that will be home to Group Health Associates. The City partnered with Cincinnati Children's and a group of local African American investors to redevelop the old Vernon Manor hotel into an office building, making way for 600 jobs. Christ Hospital has added 1,400 jobs since 2008, and they plan to add another 100 jobs this year.

Thanks to our commitment to attracting and retaining jobs, Cincinnati's unemployment rate has dropped from 10.1 to 8.6 since last year. That number is still too high for me. And, that is why we must continue to put so much effort into economic development.

"In these economic times," Cincinnati is making progress. Organizations and people are investing in the city. They are bringing jobs, resources, energy, and vitality. And they clearly understand the concept of being bold when others are scared.

Let me tell you one last story. So, times are hard and somebody wants to build the tallest building in Cincinnati. Projects all around the country are stalled; the stock market is down; banks are not lending money; buildings of this magnitude just are not being built. But this is another example of Cincinnatians not laying down, or rolling over, or giving up. The building was built. The job got done. In terms of buildings of this size, it was done in record time. So, the building stands today because in tough economic times, Cincinnatians pushed through. You decide what building I am talking about. (Picture of Carew Tower and Great American Tower)

Actually, Carew Tower and Great American Tower were both built during a recession. They both stand today as symbols of the perseverance of Cincinnati.

I want to take the opportunity to congratulate John Barrett of Western Southern and Eagle Realty and Carl Lindner and his sons, Carl III and Craig, and the American Financial Group for their commitment to Cincinnati.

Tonight, I have talked to you about the progress that we have made, but we obviously still have challenges in our city. But what we will not do is give up because times are tough and we think the challenges are too great. Cincinnati has overcome adversity and Cincinnati will persevere.

So how are you going to leave here tonight? With your head down, shoulders slumped?

I hope none of you are confused about how I want you to feel leaving this speech tonight. In case you are, let me make it clear. We do not lie down. We do not give up. This is Cincinnati. When times are hard, we work harder. It is a part of our history. It is part of our heritage. It is in the very fabric of who we are as a city.

So, what are you willing to work on? What are you committed to? I challenge all of you to find something you are passionate about to make Cincinnati greater. Future generations of Cincinnati will thank you, and I thank you for being here tonight. Good night.