

State of the City Address 2006
January 17, 2006

Now that 2005 is behind us, it is time to take a look at the year, assess progress, and plan our course of action for 2006.

First, however, I would like to acknowledge the hardships suffered in our close-knit family of employees. Almost every department was affected by serious injuries or illnesses or loss of life. All of us who work for this city wish well for those who continue to recuperate and our thoughts and prayers go to those families that have suffered the loss of loved ones. Also, I must recognize the selfless efforts so many undertook to comfort and help their fellow employees who were in need. I could not be more pleased and proud of the women and men who gave so much of themselves to ease the pain of others.

Another note of deep appreciation needs to be given to everyone who helped in the relief for the victims of Hurricane Katrina. From city employees and citizens to local businesses, churches, and non-profit organizations, our community's heart and soul were evident and overwhelming. The actions of our friends and neighbors in such times are a tribute to the strength of character of the good people of Fayetteville.

2005 saw sustained progress on many fronts as well as ground-breaking advances that continue to position Fayetteville well for the future. First, I want to highlight just a few of the advances in some of our departments because there is no way to outline them all tonight. I will provide for you a complete list of all improvements our staff has undertaken to be more productive and efficient. Our staff and employee base work very hard to provide the best service possible for us and for all the citizens of Fayetteville. We could never achieve such high-quality and cost-effective service without their dedication and drive. Kind words for a job well done are too rare, so I hope you will take time to look over this list and let our employees know their efforts are appreciated.

The City's financial picture is healthy; our major fund, General Fund, as of this morning ended 2005 with approximately \$9 million in un-obligated reserves. The City also has \$2.7 million remaining of Wilson Springs money that is designated for specific City investments. During 2005, City Council designated \$1 million for Van Ashe and \$500,000 for Skull Creek Trail. Construction is expected to begin on these two projects during 2006.

The City's investments performed well in 2005. Since 2003 the City has earned approximately \$7.8 million in investment earnings. These earnings exceeded the Merrill Lynch 1 to 5 year Government/Corporate bond index by approximately \$3 million and the AAA rated Merrill Lynch Agency Master index by approximately \$2 million. The returns also exceeded the investment earnings the City would have realized under the previous investment management policy by approximately \$4 million.

During 2005, the City reached agreement with Elkins to resolve funding and billing issues related to wastewater services and established a framework for future contracts for wastewater and water services. City Council approved a Cost Reimbursement policy that establishes

guidelines for cost recovery and establishes the schedule for reviewing each fee. City Council approved development impact fees for Fire and Police and authorized updating the water and wastewater impact fees. These efforts, taken together serve to lessen the burden on the general taxpayer.

In our Billing Department, we saw telephone and internet payments more than double, growing from 4500 to 10,000 payments. We expect the same kind of increases this year.

Our Building Safety Division issued 6,266 building permits for 2005, averaging about 24 permits a day. And it should come as no surprise that we also set a new record for valuation of work to be built at \$275 million. Impact fees from new growth have resulted in over \$3.1 million earmarked for water and wastewater improvements.

Code Compliance facilitated the removal of 14 unsafe structures and received over 3,000 requests for code compliance assistance.

Fayetteville's network of parks and trails is one of our community's most valued assets and helps set our City above others in the region by adding to the quality of life we provide our citizens.

Our Parks Department always scores well in the citizen survey, and this is because the quality of services the department consistently provides to our community. Over 60,000 citizens participated in Parks and Recreation programming in 2005, and the Champs League won the Presidential Citation Program of the Year for Therapeutic Recreation.

Our Solid Waste and Recycling program received the Recycling Education Program of the Year from the Arkansas Recycling Coalition and Distinguished Service Award for Waste Reduction from Keep Arkansas Beautiful. Our commercial and residential programs absorbed significant population increases without additional manpower and equipment due to our efforts to increase efficiency.

Our Transportation Program is hitting its stride. With this administration's focus, and the Council's support, our overlay program and sidewalk and trails programs have seen enormous progress. We set a goal of 17 miles per year for our overlay program and we exceeded that with a total of over 18 miles rehabbed in 2005, which is a substantial increase over 8.9 miles in 2002. We installed over 20,000 feet – almost four miles – of new sidewalk in 2005, reflecting a six fold increase over 2002 production levels. We also constructed 324 driveway approaches and handicapped ramps and a 40,000 sq. ft. mulch pad in-house for the Solid Waste Department. An important factor is that this work is being done with a careful eye toward quality craftsmanship. Our crews consistently do such an excellent, cost-effective, and citizen-friendly job of construction, I would not hesitate to have them compete against any private contractor in Arkansas.

Our Trails Program experienced a rebirth in 2005 with the assistance and support of the City Council. We have over the past few years had some successes within our Trails Program construction with West Mud Creek Trail, the Frisco Trail, the Walker Park Senior Trail and the Walker Park Trail. Additionally, access around Lake Fayetteville was greatly improved with the Lake Fayetteville Bridge and Trail construction project. The Lake Fayetteville project is

continuing with our refocus on in-house construction. This and other trail projects will allow all of our citizens, including those with impaired mobility, to experience our natural areas or use the expanding trail system for recreation, exercise, and transportation. Our goal is to focus upon the highest priority trails as right-of-way becomes available, but as we are obtaining right-of-way we are still expanding our network providing the linkages that will become a true trail system. Our goals for this year include construction on the north end of the Scull Creek Trail as well as construction on parts of Clabber Creek.

Our Water and Wastewater Department designed and installed almost 1.5 miles of water main and over 1.25 miles of sewer main, washed 153 miles of sewer line, and televised 17 miles of sewer line while reducing overtime by 8,700 hours over two years. Using backup generators at the Noland Plant has reduced our electrical charges by about \$200,000 a year.

Fayetteville's Municipal Airport shows impressive gains from the days when the airlines left. Over the past four years aircraft operations are up 34%, fuel sales are up 90%, and based aircraft are up 50%. With all the infrastructure work being done in preparation for new tenants, the introduction of Million Air for our fixed-base operator, and our remodeling of the terminal building, we can expect further business expansion at Drake Field.

The Fayetteville Public Library, which was completed under budget, received the coveted "Library of the Year Award" from the Library Journal, besting the libraries in Seattle and Cleveland. 2005 saw the kick-off of the library's public art program with a generous donation by the Bradberry Foundation of an outstanding Anita Huffington sculpture.

The City Attorney's office provided flawless representation to the City once again in 2005. It should be noted that since Kit Williams has become City Attorney, the City has suffered no civil litigation defeats, which is quite an accomplishment. Equally impressive is the case load processed by the City Clerk's office. The number of resolutions processed in 2005 increased by almost 20% - ordinances almost 17% - and this is in addition to all the others tasks and duties assigned to that office. Sondra Smith does an incredible job for this city.

We continue to improve our fire service delivery city wide as we prepare for the on-going growth of Fayetteville. We have added new personnel as we phase in new hires and equipment for the new Station #3.

Our Police Department continues to lead by example. We have the most professional Police Department, by far, of any city in Arkansas or the region. Our clearance rate, or the rate that we solve crimes, dramatically exceeds the national clearance rate. While many cities are known for controversy and poor performance, the actions of the Fayetteville P.D. are measured and effective.

Our Planning Department had another extremely busy year. Their list of accomplishments is long and the positive impact of recent policy decisions approved by Council will have both short-term and long-term benefits. We executed Arkansas' first Tax Increment Financing bond issue for the removal of the long-blighted Mountain Inn building to make way for the Renaissance Center Hotel and Conservatory. Clearly, this project represents what is possible through public/private

partnerships coupled with high-quality design. We approved the Outdoor Lighting ordinance to mitigate the adverse impact of glare and light trespass. We revised the PZD ordinance making it more attractive for developers to use, which benefits everyone. We have three Planned Zoning Districts on tonight's agenda alone. We are seeing the heart of our city become refurbished and energized because of the Downtown Master Plan. We converted downtown one-way streets to two-way, added on-street parking and acquired the Fay Jones property. We constructed the Frisco Trail and developers are seeing the value of designing with the trail system in mind. The principles of the Downtown Code are being incorporated with great success, and we look forward to the extension of our public planning process to all Fayetteville citizens through City Plan 2025. This interactive, participatory process will produce an updated comprehensive plan for the City which will serve as our planning and development guidebook for the next twenty years. Once complete, City Plan 2025 will be a valuable tool for the community as we address multiple pressing issues such as the development of a city-wide annexation strategy and policy. Thoughtful, long-term planning allows us to continue to improve our standing as a most livable community and as an attractive location for business investment. And attractive we must be. If you consider what is on tonight's agenda you may notice that an approximate combined investment value for only two of these projects is over half a billion dollars.

But there are always wrinkles to iron out. The Wastewater System Improvement Project is taking longer and costing more than we ever expected, but, for a project of this magnitude, cost overruns and missed deadlines are not at all unusual using the "Design-Bid-Build" method of project development. In 2003 our State delegation, city staff, and I worked to change Arkansas' code to clarify the law allowing cities to use the "Design-Build" and "Design-Build-Operate" models that have gained favor over the "Design-Bid-Build" method for reasons that have become painfully obvious. Preliminary engineering work started on this project in 1998 and our consultants finished their work in 2005. Permits were issued in 2005, and we break ground on our new west side plant next month. Fayetteville is the first city in Arkansas to use the "negotiated procurement" process after selecting Brasfield-Gorrie to construct our plant. Construction on the Noland Plant is well underway and going smoothly.

Also, 2005 saw the issue of wages and benefits boil again. This year we will endeavor to change the way we handle this process. Since 1988, we have approved the every-other-year wage study which always causes a stir with our employees. For 2006, we must agree on a stop-gap measure to allow us time to jettison the way we have done it in the past and develop a more reasonable system that is predictable, sustainable, and fair to both the employee and the taxpayer.

The phenomenal growth we are having to deal with inevitably strains our employees and slows our response to our citizens. While we have achieved high efficiency in our public service in the past five years, we cannot continue to experience almost exponential growth in our work load without expanding our employee base.

Once again, I must note that even though we will start collecting a very small 1.3 mil property tax at the end of the year, Fayetteville provides superior services at the least cost, by far, of any city in Northwest Arkansas and is 65% below the average millage rate for cities in Arkansas. While it seems hard to get anyone to say anything positive about government at the local, state, or federal level, we rated very highly on our last citizen's survey with 69% of our citizens stating

this government's effectiveness was good to excellent, and a very low disapproval rating of only 12%. The percent of our citizens ranking Fayetteville as an excellent place to live has almost doubled from 2001 to 2005. Couple that with the fact that in the most recent citizen survey, 95% of our citizens rated Fayetteville as a very good to excellent place to live, and it shows we are doing something right and that our citizens are pleased with our present course.

No longer known as the City of Perpetual Conflict, the relationship between this government and its citizens has improved considerably thanks to the Council, city administration and staff, as well as developers and neighborhoods working together to produce high-quality, innovative projects that are well supported by our citizens. With the change in leadership philosophy over the past few years toward community-oriented, results-driven, entrepreneurial government we have seen potential conflicts resolved to the benefit of everyone. The fact that we have seen record-breaking rates of development and so little public controversy shows that our citizens understand that, while growth appears inevitable, we are serious about proper planning, good design, our environment, community compatibility, and looking to the future. Fayetteville is proving that the seemingly competing perspectives of accommodating growth and development and preserving quality of life work best when they work together.

However, with growth and development comes cost. The most pronounced of these costs, as most everyone has experienced, is traffic related. Our traffic problems are two fold. One, which we are working to control, is in our neighborhoods. The neighborhood groups, Council's Street Committee, the Planning, Engineering, and Transportation Divisions are all working together toward an acceptable traffic calming program. Our most recent success to date is the installation of speed tables on Maple Street. We will replicate this as needed in additional neighborhoods. Our larger problem is with our major street system, which is generally comprised of State Highways. We all know that the State is not in a position to assist us in a time frame that we find acceptable. If we are to solve the traffic problems on our state and U.S. highways, we are going to have to step up to the plate. Growth is occurring within our city and beyond our borders. The growth can not be ignored. But if we are to address the traffic problems in our City, a funding commitment by the Council and the Citizens will be required.

We have to make decisions daily that impact, in various ways, how the future of Fayetteville will unfold. For some decisions, results are immediate and can be assessed pretty quickly. For other decisions, the truly important ones, time must pass, sometimes years, before the effect can be understood and success can be judged. I will discuss some of the decisions that we have made that required both faith and patience.

We hired Van Scoyoc and Associates to represent us in Washington, D.C. and for the first time in 20 years Fayetteville is beginning to have real success winning federal appropriations. For every \$1000. invested we have seen a return of \$162,000. We secured \$9 million for much-needed North College traffic improvements to the Mall area to help our main business district remain competitive with the commercial growth to the north. Of course, we could never have been successful without the strong support of Senator Lincoln, Senator Pryor, and Congressman Boozman, and their excellent staffs.

For 12 years the Arkansas Research and Technology Park generated absolutely no interest on a vacant 289 acres on I-540 because the location was wrong for the purpose. It made more sense to consider that acreage at the exchange of Highway 112 and I-540 as a business park and for the city to team up with the university to focus our Research and Technology Park efforts at the Genesis Technology Incubator on Cato Springs Road. That decision jump started a new vitality at the Park that Phil Stafford and the University are carrying forward. Van Scoyoc also helped the city receive \$3.2 million for infrastructure improvements for Cato Springs Road, which will become the gateway to the Technology Park, and \$1.1 million for other developments to the property. Further evidence that the decision was sound is the recently awarded \$16 million to research companies located in the park, the relocation of the Bio-Based Company from Rogers, and \$1.2 million for technology enhancements awarded by the State.

At the same time, repositioning the 289 acres as a business park designed around a 125 acre natural area has attracted a prototype environmentally-friendly Sam's Club and other commercial activity. In addition to \$5.2 million in sale proceeds, the Wilson Springs land sale also generated much debate, controversy, and opposition. However, the decision is proving to be a prudent one as we see the plans for development of the property unfold and anticipate the increases in tax revenues these developments will bring. It should be noted that this is not a typical economic development project. The 125 acre wetland and natural area around Clabber Creek and our trail network is a key element of the Business Park. It is this type of environmental amenity that makes the property a unique location that will become home to progressively unique developments such as the prototype Sam's Club. Here we have another example that Fayetteville can accommodate growth and development while preserving and expanding our quality of life – and protecting our environment.

I would like to underscore two other policy decisions that led to the dramatic infrastructure improvements we have seen over the past few years. The first one was the reorganization of Fayetteville's government in January 2003. By combining appropriate departments, putting the right managers in place, and doing more work in-house, we saw productivity rise and employee turnover fall. The second policy decision was Council's approval of our requests for more manpower and equipment to meet the levels of productivity we knew were possible. This is a prime example of achievements that can be made when the executive and legislative branches of municipal government work together for the good of the entire city. There is much to be done in Fayetteville and the more the City Council and the administration work together, the more successes we will have to celebrate.

And this year we will have many opportunities to work together to initiate and complete projects that are important to Fayetteville. We will bring forward a finished plan of action for enhanced city-wide traffic mobility and safety. When the time comes, we will all need to champion this cause if we are to see it succeed. We will make real progress on Scull Creek Trail. We will build Fire Station #5, and break ground for a new station at the Tyson site. We will develop plans for an improved and expanded police station. We will move forward with plans to build a parking deck for Dickson Street. A plan for a sustainable public/private partnership for attainable, entry-level housing will be initiated, and we will break ground for our much-needed community park. These issues, and all others that affect our city, should not be considered in isolation from each other, but from the context of an entire, well-balanced city. John Muir said "Tug on anything at

all and you will find it hitched to everything else in the Universe." The 10,000 elements of building a city are no different. Maintaining a balanced perspective is key to Fayetteville's continued success.

Everyone who lives in Fayetteville or knows about our community understands we have a rare city. We are defined by our quality of life, our natural beauty, and our civic involvement. The exceptional environment we enjoy in Fayetteville did not happen by accident. Fayetteville has long elected leaders who have been willing to fix what is wrong and preserve what is right. Without visionary leadership we would not have the University of Arkansas, the Walton Arts Center, Lake Fayetteville Park, our Downtown Square, our new library, or a hundred other features that make our town unique. All of these best things about Fayetteville had two things in common:

1. Opposition.

2. Leadership that was willing to weather that opposition for the long-term good of this city.

Take Fayetteville's sign ordinance for example. This decision was vigorously opposed to the point it had to be defended at the State Supreme Court six times. There are still people in town who would repeal it in a minute under the misguided belief that our sign ordinance is bad for business. But, save for the University, that ordinance has done more to set Fayetteville apart from every other city in the State than anything else I can think of. Decisions over the years, both large and small, help explain who we were and who we are.

We have with us tonight some of those leaders who have shaped Fayetteville in ways most of us now take for granted. When we arrive in Fayetteville after visiting other cities, we feel at home and comfortable and lucky to live here because of leaders that had the vision to see what was possible and not let short-term opposition derail long-term improvements. There is no way to retrieve all the good citizens who have served this city over the decades so I have asked a few representatives of those who have been in our shoes to come tonight so we could thank them for giving us such a good foundation on which to build. These city leaders have all championed and defended good ideas and initiatives and . Because they all realized that if short-term inconveniences and opposition to improvement won the day, we would not reap the long-term benefits that have made Fayetteville the wonderful place that it is. I would like for former Mayors John Todd and Marion Orton, former City Council members Ann Henry and Frank Sharp, and former Planning Commission members Mort Gitleman who served for 18 years, and Ernie Jacks who served for an incredible 26 years as chair of the Fayetteville Planning Commission to stand and be recognized. Thank you all for your contributions to our fine city.

As today's leaders also consider Fayetteville's future, there is one project that begs for attention that is sure to draw resistance to improvement. We must rethink and reinvent College Ave. and Archibald Yell Boulevard.

Let me explain why. I will use Dickson Street as a recent and real example of what is possible on Business 71. Only about 12 years ago, Dickson St. was a place in need of repair. Proponents of the Walton Arts Center overcame opposition and built a public/private partnership between the

City, the University, and the Walton family that started to breathe new life into our downtown. When one looks at what the Arts Center has added to our city it is easy to see that the public investment was modest and wise. Later, the decision to redesign and rebuild Dickson St. into an attractive, pedestrian-friendly entertainment area succeeded by overcoming opposition to the improvements and seeing the project through. This area has become a source of enjoyment for Fayetteville citizens, meeting our goals of having our town be a fun, attractive, and prosperous place to live. But just as importantly, that relatively modest public investment was a very good business investment. We have transformed Dickson St. into a destination that is beginning to attract visitors from all over the United States. We hear more and more stories of business travelers coming to Wal-Mart Stores renting cars to spend the evening in downtown Fayetteville or people opting to stay in Fayetteville while doing business in Bentonville. Because of this we are now seeing, only two years later, an unbelievable amount of private investment come to the Dickson St. area. Who could have imagined 15 years ago the plans that are beginning to unfold? Projects such as the Legacy Building, Underwood's and the Fayetteville Depot mixed-use developments, plans for a hotel and more, will bring more vibrancy to our downtown and revenue to our local businesses and our city coffers while making Fayetteville even more of a destination for visitors.

But as dramatic a civic improvement and investment opportunity Dickson St. has become, it is nothing compared to the potential of what an attractive plan and a relatively modest public investment could do for Fayetteville's main street. The importance of reinventing College Ave. cannot be overstated. Here are just a few reasons why.

It is well known that Rogers, Arkansas is focusing like a laser on commercial greenfield development on I-540 with the goal of capturing all the retail business possible from this area. They are using their unique strengths to achieve their goal, namely, proximity to Wal-Mart headquarters, their deep pool of local investment capital, and a seemingly uniform and single-minded community personality.

While Fayetteville is beginning to realize some greenfield development on I-540, we have our own unique strengths upon which we must capitalize if we are going to maintain a healthy revenue stream to fund our municipal needs. One of those potential advantages is Business 71. Today, College Ave. is nothing to be proud of. It is dangerous, poorly developed, and run down. It is used primarily as a freeway that divides our city, repels pedestrians, and encourages accidents. Few dare cross it on foot or bicycle. The absence of any kind of traffic access management due to a nearly infinite number of curb cuts makes even simply adding sidewalks impractical. We all remember the State adding all the handicapped access ramps to Business 71 because of a court order, yet it is still impossible for someone in a wheelchair to travel Fayetteville's main street.

As we work diligently to make our community more pedestrian friendly, we are seeing more people walk and bike to destinations all over town. Our downtown and our neighborhoods are becoming safer and more attractive every year. Yet College Avenue acts as a giant line in the sand separating kids from their schools, citizens from their downtown, neighborhoods from their parks, and residential areas from local businesses.

But apart from the important social reasons why we need to re-invent College Avenue, there is an overarching economic reason to do so. As Rogers is developing their new life-style center mall to attract new revenue, many of us in Fayetteville wonder what we can do to preserve our economic vitality. Without any doubt, re-inventing Business 71 is much of the answer. A thoughtful and attractive plan would reinvigorate our Main Street making it a magnet for private development and a destination for local residents and visitors alike. Unlike new, greenfield life-style center development, we can capitalize on the investment we have already made in our existing downtown infrastructure.

Our most profound opportunity is waiting to be recognized and acted upon, one manageable section at a time. Once we decide to fulfill this obligation to our city, I am certain that we will find willing partners in the Highway Department, The University of Arkansas, the private sector, and our citizenry willing to work together to make a much-improved College Avenue a reality. Fayetteville's Main Street could and should become our own life-style center with an authenticity that will be missing from other new malls being developed on the Interstate.

But as I stated earlier, there will be strong opposition, as there always is to any new idea. There will be those who say what we have now is good enough for us all. Those who will say change will happen on its own without the need for a cohesive plan. Those who will say the Highway Department will not work with us, businesses will be temporarily inconvenienced, or 10,000 other reasons why it is easier to do nothing. But as leaders of this city, just as our leaders before us have done, we must take the long view and not let the short-sighted opposition that is sure to come stop us from harnessing this enormous potential.

The school district would benefit from increased property values, the University would benefit by removing a stumbling block in their recruitment of the best and brightest. The City would benefit from increased tax revenue. Private interests would benefit with new reinvestment and redevelopment opportunity. And the biggest beneficiary of all? Our fellow citizens. We would turn the most dangerous stretch of road in our two-county area into the safest, by having a main street that actually performs like one, where everyone can travel more comfortably, whether on foot, or bicycle, or wheelchair, or car. We would remove the barrier that divides our town, and turn our worst eyesore into a beautiful and attractive destination.

Just like earlier city leaders whose decisions produced achievements we could not imagine being without, all that is required to succeed is a City Council that is willing to join in a vigorous dialog of bold ideas and concepts, and a willingness to move forward, in this very worthy effort. If not us, who? If not now, when? Re-inventing College Avenue and unlocking this enormous potential will be what this and future generations will thank us for.

2006 has the potential to be a "leap" year for Fayetteville. It's up to us to make it happen.