

State of the City 2008  
January 15, 2008

I bring to you tonight the State of the City 2008 address. But I want to discuss with the Council and the public more than just the work that has been accomplished for 2007. After an abbreviated recounting of some of the work that has been done, and is being done, I want to talk about some issues we are facing that must become a point of focus for ourselves and the community for 2008 and beyond.

Our infrastructure work continues at a very healthy pace. Our largest project, by far, will be complete this year. After a rough start, the Wastewater System Improvement Project has been sailing smoothly thanks to the dedicated staff and excellent contractors we have in place. We will be opening valves at the new west side facility in less than five months. Since bringing the project in-house, we have worked very hard to keep the public informed on all aspects of the project, from the pace and quality of the project, to the outstanding success of the wetland mitigation area.

Our road bond issue is the next biggest project on our agenda.

This program is moving along and will be a huge improvement to our city's transportation system. This series of road projects will add capacity and convenience for automotive travel for many years to come. While we must still deal with the reality of the increased cost estimates from the Highway Department for certain projects, just as we had to deal with the same increased costs of the wastewater system, we are doing all we can to move forward to complete these important road projects.

We opened a new fire station on Highway 265 and we are completing the next one on land purchased at the Tyson Mexican original location. After decades of not expanding our fire service, we have dramatically improved our position to respond to emergencies to save lives and protect property.

With the building of the new Courts building, the police will be able to expand into the room the court now occupies. This will provide a little more space for the police to operate until a new police building can be built. This will reduce, for the time being, the need to use hallways as a place to interview crime victims, store files, or change clothes.

After our reorganization in 2002, productivity improved just as we knew it would, thanks to the new management and team of the transportation department. Street paving increased 60% while our sidewalk production grew from under 3000 linear feet per year to over 17,000 feet per year. We are building sidewalks almost 6 times faster than we were before the reorganization.

Our multi-use trails program continues to gather support in the community. While our trails bond issue passed with more than 60% of the vote, more and more people are seeing the benefits of the program. This year we will see the completion of Scull Creek Trail, the main artery of the system. When we open that alternative transportation lane, more of our citizens will really begin to understand what a well-planned trails system will do for our city.

In 2007, we added a new position to our organization. We created the first public Sustainability Coordinator position in the State and it seems to have become the hiring heard 'round the world. Cities across America are following suit after asking how we did it and how it is working.

Through John Coleman's leadership in this position and the collaborative efforts of all city employees, the City has created various programs that have saved taxpayers about \$200,000 and reduced our carbon output in a similar fashion. And when it comes to efficiency in government, I am very pleased to report that our contract with Van Scoyoc is paying off well. Under that contract, we have spent a total of \$318,078. Our return has been \$16,312,500 -- a \$51 return for every dollar spent. Other Arkansas cities are beginning to follow our lead.

These are just a few of the many examples I could point out that show how well our organization is working. There are always people who feel that governments are inherently bloated and inefficient bureaucracies which should be completely dismantled, except, of course for the part that provides all the services. But our citizen survey consistently shows that a solid majority of Fayetteville residents, 60%, understand that this is a well-run, efficient, and responsive organization.

When we look back on the progress we made in 2007 and the quality of life we have been able to build over the last several years, you can see why the citizens continue to give this government high marks. However, there are a handful of critical issues that we need to focus on in 2008 if we plan to maintain our quality of life and maintain the level of service we provide our citizens. One is the local economy. For the first time ever, our sales tax collections took a dive for the whole year. This was expected as the Rogers/Bentonville area gained enough population and per capita income to warrant its own shopping area. The need to address our financial situation and increase our revenue to prepare for this day was discussed in every State of the City address since 2002. In the early 1990's the City promised to give up our 3.8 mills of property tax if the voters approved a millage increase for the schools. Since then we have relied on sales tax alone until a modest 1.3 mills was approved for city operations in 2006. Our almost total reliance on sales tax for the last decade and a half worked fine until the inevitable happened and the shoppers from up north ended their subsidy to Fayetteville.

Our municipal property tax rate remains, by far, the lowest in the region. While this is good news on the surface, it has set the stage for serious problems. The budget that was approved for 2008 is not sustainable unless we are willing to sacrifice the very things we love about our city.

I believe that most people now understand how tight our budgets have been in previous years. If our income increases at 2%, only to be eaten alive by 2% inflation in our expenses, our problems worsen. If we continue to avoid the issue of diversifying our revenue stream, we will create enormous problems that will take a real shock to the system to resolve. I liken this to burning our winter clothing to stay warm. It may feel good right now, but is it a good plan for tomorrow?

Another critical issue that we face in 2008 is the Walton Arts Center plans for expansion. As most of you know they are casting about in an effort to find a home for a new 2500 seat hall. I understand when we are asked to wait for the study to be finished to see what the results are, but I do not like waiting. I am reminded of the saying, "all comes to those who wait, as long as they work like hell while they wait." I don't think we can afford to be passive.

We have to be proactive and let them know exactly what we are willing to do to make sure that new facility is built in Fayetteville. I have asked the University to join us in discussing the situation. Our plan for the new parking decks, hotel, and retail all connected to the Arts Center should help make the location for the new hall obvious. Improvements in way finding and streetscaping should also help. The Walton Arts Center is an important feature of our economy, a hallmark of this community, and we have to be aggressive in our efforts to keep it here.

We also have to be proactive in improving the way we handle the world of growth and development. We have great fanfare for the public's participation when we ask them to help us customize our future. When we ask our citizens to take part in an exercise to determine how our city will look, they turn out in droves on their days off and pour their hearts into the work we have asked them to do. When the process is complete the headlines read "Triumph of Participation" and we all pat ourselves on the back for the project's success. Developers will study the plan and, with the help of our nationally recognized planning staff, design a project that fits perfectly within the planning criteria that the public has designed, the staff has supported, and the Council has approved. The project goes through the Planning staff, Technical plat review, Subdivision Committee and the Planning Commission. Then, in the final step, the project comes before us.

This process, while time consuming and expensive, works reasonably well to this point. But then, once it gets to us, all bets are off. If a few individuals oppose any part of the project we will thwart the will of all the citizens who designed the plan, all the creative massaging of the Planning and Engineering staff, the citizen's subcommittees, and the Planning Commission. In being hyper responsive to the individual, we completely discount the majority.

The ripple effects are serious. The developer, who is risking millions of private dollars in the project, just had his costs go up, making the price of everything in the project increase. That is bad for the consumer. The chances for financial success of the project are diminished. This is bad for the city and the developer, and it erodes the confidence of our city staff. It teaches the developer to avoid anything that is creative or innovative. It shows the developer how much easier, cheaper, and faster it would be just to do the same old sprawl-inducing, cookie-cutter, unimaginative development the public says, the staff says, and the Plan says we do not want.

Don't get me wrong. I am not saying that we should just rubber stamp everything that comes in the door. But if we could approve the creative, innovative, new-urban design that fits our plan as quickly and easily as we approve the bad developments, it would be a vast improvement for the future of our city - and our reputation.

The last seven years has seen Fayetteville become less controversial, a place where long overdue work gets done and progressive ideas take root. Our citizens love it here. When people think of Fayetteville, Arkansas, they think of quality of life. Clearly the number one issue concerning our residents is traffic congestion. This has long been the case. Our traffic infrastructure lagged behind our growth for decades. But we have been in catch-up mode for a while now. With the road bond issue, newly-acquired federal earmarks, more thoughtful urban design, and alternative transportation opportunities, we will continue to make improvement for years to come. But here's the rub. While it will take years to complete the work we have on the boards, more people will likely move here, and they will bring their cars. This problem is a staple of any growing community. From my perspective, to have traffic congestion as a top concern is good news, indeed.

When I consider the top concerns of many other communities, crushing poverty, high murder and violent crime rates, systemic corruption, failing schools, crumbling infrastructure, dangerous pollution, absence of opportunity to name just a few, I thank God traffic congestion is our biggest immediate problem.

But here is a friendly reminder for everyone who is concerned about too much growth and too much traffic. Almost 60 million Americans live in coastal areas threatened by rising tides and stronger storms caused by climate change. Many will be forced to move. A lot of them will move here. And it's already happening. Many Katrina evacuees have relocated here permanently. Floridians are moving here because of skyrocketing insurance rates due to storms. If only one tenth of one percent of the threatened coastal dwellers move to Fayetteville, our population will double. Add to this scenario those who would move here to escape the fires out west due to unprecedented drought. Or even Texans (sound the alarms) who will move here so they could actually breathe during the summer. So if we do not address a larger issue, one day soon we may look back fondly at today's traffic congestion.

There are many compelling reasons to reduce our impact on our environment. Some are social, recognizing that those who are least able to cope, and who have not caused the problem, will bear the biggest burden. Some spiritual, in that planet Earth is a creation of God that deserves our attention and respect, or else. Some are National Security issues, but we can't talk about that. Some concern enlightened self interest, considering the hassle of finding another planet, in a good neighborhood, onto which we could move.

But I want to discuss one aspect in particular that I find especially compelling for Fayetteville. In the Presidential Climate Action Project's-State of the Union's Climate report, there are 6 points that form the argument that the next President of the United States must confront the challenges of climate change. Point number 5 is the one I want to focus on.

I quote:

"We must recognize not only the threat of climate change, but the enormous opportunities that we can capture by addressing it. The urgent worldwide demand for clean energy technologies is arguably the greatest entrepreneurial opportunity the United States has ever known. The transformation to a clean economy will open paths of possibility to all income classes, including those the old economy left behind. As the world's leading innovator, we can and should become the world's leading supplier of the technologies and products that will help all people in all nations -- including our own -- achieve dignity, financial security and a decent standard of living, while dramatically reducing effects on climate."

As you well know, Fayetteville is being recognized as a national leader for cities our size in the movement for a cleaner, more efficient, more sustainable communities. We are beginning to attract the attention of companies wanting to seize the opportunities of the new economy and the technological advances of the global sustainability movement. These businesses, from start-up entrepreneurs to well-established companies are looking nation wide for places in which to locate that have the right attributes.

Because of the recent national publicity for our perspective and our drive, they are seeing Fayetteville as an unexpected possibility. And this national recognition is now generating international interest from places such as France, Sweden, and now Japan. These green, clean-tech businesses can help us strengthen our local economy and bring real diversity to our revenue stream. We have four essential building blocks that dramatically increase Fayetteville's chances for success. The weakening of any one of them diminishes our position.

The cornerstone is Fayetteville's proximity to Wal-Mart. The power of Wal-Mart and their leadership in the private sector for sustainability is, in my opinion, the single greatest factor in the changing mindset of business in the global environmental movement.

The second building block is being the home of the University of Arkansas and the Arkansas Research and Technology Park. The Center for Applied Sustainability at the University and the focus on clean technology at the Research Park provide the intellectual capital that is so important to new businesses.

The third building block means increasing the momentum of Fayetteville's sustainability efforts. While we lead the state in our actions, the low-hanging fruit is still plentiful. We must find ways to encourage the private sector to incorporate more sustainable practices. Some good examples are exempting buildings from impact fees if they achieve a LEED Certified "Silver" designation or give cars that meet certain efficiency standards free parking. We must also find ways to help our citizens of modest means to replace old, energy-hog appliances and fixtures with new, much more efficient models.

This would help reduce the monthly bills of these families, and reduce the need to build expensive, carbon-spewing power plants. If we bring our building codes up to today's standards we will significantly reduce our energy consumption while saving consumers money on their utility bills. An aggressive public education campaign is necessary if Fayetteville is going to see significant cuts to our greenhouse gas emissions.

The fourth building block that completes the foundation is directly tied to public policy decisions made by the elected officials of the City of Fayetteville. It is crucial that we develop the political will to commit to long-term investments in quality of life amenities. Making Fayetteville an even better place for her residents to enjoy a fulfilling, well-rounded life is vital if we are going to compete with other cities that have focused on this for many years. Building roads, wastewater systems, and water lines is very important, and with an investment of \$250 million in hard infrastructure, it is clear we are willing to make those investments. But while we continue this important work, we have to recognize that there is more to a beautiful, livable city than just the hard infrastructure of pipes, concrete, and asphalt.

When we win accolades from organizations and publications from around the country, what they evaluate is our "soft" infrastructure. They see the University, our Square Gardens, our natural surroundings, our creative class, the Farmer's Market, the Walton Arts Center, our landscaping, our trails system, Dickson Street, our parks, our public safety, our economy, and our high quality of life. In all the top rankings we have received I cannot think of a single mention of our paving program, our street bond issue, or the wastewater system overhaul.

Thinking of these "soft" infrastructure quality of life requirements only as "wants" instead of "needs" fails to understand what it is that makes Fayetteville such a great place to live. It also fails to understand what is required of us if we are going to compete with the outside world. That is precisely why Rogers is pulling together a \$25 million bond issue to invest in their quality of life infrastructure. They are dramatically increasing their funding in the very area we are becoming reluctant to support.

While we are doing this work, we must advertise. We have to seek out opportunities to let the outside world know of our local actions and positioning in this new, green marketplace. All the recognition we have gotten for our sustainability efforts did not happen by accident. We must seize every opportunity to let the outside world know that we are serious about being a leader in this field.

There is no middle ground. Other cities are competing for this position with single-minded determination with no holds barred. If we do not have the political will to do what it takes, if we can only achieve half-measures, we should just give up right now and not waste our time dreaming that we will be players in the coming technological revolution.

The first test of our political fortitude will be to see if we are willing to develop an economic plan that balances our economic, social, and environmental needs as a community. This is the most pressing issue we face in 2008. We have to start articulating our plan for the economic future of this city and we have to start right now. I have approached the university to see if they will partner with the City to develop a clear plan to accomplish our common goal of securing the coming green collar, clean tech economy. This work would be tailored for Fayetteville and the university, designed to accentuate our strengths and assets and shore up our weaknesses. If the university says they will participate, I will bring to you the information you will need to approve moving forward. If we pass that first test, the second test will be sticking to the plan - because this is the only way to ensure a successful long-term future.

We have much to accomplish on this front and time is not on our side. It is crucial that the Fayetteville City Council adopt a sense of urgency and adopt this issue as an extremely important element of our city's policies and planning. This issue needs to develop a life of its own that will last beyond those of us in office today. I will be leaving office in less than one year and it will be tremendously discouraging if Fayetteville's successes and momentum in the sustainability movement leave with me.

2008 will be a watershed year for Fayetteville. We need to diversify our revenue stream and expand the tax base. We need to do whatever we can to ensure that Fayetteville is the site of the new 2,500 seat Walton Arts Center theatre. And we need to immediately begin the dialogue about how we build the sustainable economic future of this City. Our tight budget will make it tempting for us to pull back on investing in our future. Coasting downhill is always easier than striving for new heights. But that is not what we were elected to do. This year is our test.

All of us ran for election to do what we think is right for our city. The decisions we make this year will set the course for our future. We can focus only on the minutia of governing a city and spend our time debating the relatively unimportant. Or we can take a more elevated, long-term view and work out policies that set our course to achieve the highest standards possible. We only get one chance at this before our time is up. Let's make those who follow us proud to sit in those chairs.