



OFFICE OF MAYOR VIRG BERNERO
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LANSING, MI 48933

Mayor Virg Bernero's
2014 State of the City Address

“Growing Lansing Together!”

General Motors Lansing Grand River Assembly Plant
January 30, 2014

Thank you President Boles.

Good evening, ladies and gentlemen, and welcome to GM's Lansing Grand River Assembly Plant.

I'd like to begin by recognizing the members of City Council: Please join me in welcoming our newest Council member, Vice President Judi Brown Clarke, returning Council members Kathie Dunbar, Tina Houghton, Derrick Quinney, Jessica Yorke, Jody Washington, Carol Wood and, of course, President A'Lynne Boles.

Thanks to all of you for your service. I look forward to working in good faith with you to grow Lansing in the year ahead.

I want to thank my family for their love and support. Teri, Kelly and Virginia, and my father, Giulio, are all with us tonight. You are my daily inspiration, my pride and my strength. Kelly is celebrating her birthday tonight. Happy Birthday my Angel!

Thanks so much to our hosts - our hometown car company General Motors and UAW Local 652, for having us here at Lansing Grand River.

The power of partnership will be a recurring theme in my remarks tonight, and the long-standing partnership between GM, the UAW, the City of Lansing and Delta Township continues to be one of the economic pillars that support the entire Lansing region. That's something to celebrate!

Members of Council, distinguished guests, citizens of Lansing, I stand before you for the ninth time in as many years to express my gratitude for your continued confidence in me, and to share with you my aspirations for our city in the year ahead.

I am pleased to report that the state of our city is strong and getting stronger, especially compared to many of our peers. We have weathered the storm of the Great Recession and true fiscal stability is finally at our doorstep.

Our local economy is roaring back. Unemployment in the Lansing region has been in the single digits for 37 straight months and we've had 27 straight months of job growth in the city. Home values and sales are also on the rebound. Just since last June, the median price of a home sold in Lansing climbed from \$67,000 to over \$95,000.

Prudent financial management has protected Lansing's AA credit rating, and we now project that our FY15 budget will start in balance -- rather than in deficit -- for the first time in a decade.

These things didn't happen by accident; they happened by design. They happened because we made smart choices; we made tough choices. We took the heat for driving change faster than some people thought we should, faster than some thought we could.

Let me be clear: We will keep right on pushing. Harder. Faster. Smarter. My foot will remain planted firmly on the gas pedal, because Lansing cannot wait. Our time is now.

We've accomplished great things over the past eight years, and many of you played a part in it. Thanks to each of you for believing in Lansing and for investing part of your time and your treasure in building an even greater Lansing. Here's to you!

I am blessed with an amazing team at City Hall, and I want to say thanks for their hard work, ingenuity and commitment to the citizens we all serve. Will my executive team and mayoral staff please stand and be recognized.

My friends, the past six weeks have been a challenging time for our city and region. An historic challenge, even, because Mother Nature served up some winter weather the likes of which we've never seen here.

The ice storm, which left thousands of people in the dark for far too long, was a painful experience for many of our citizens. Let me say plainly and unequivocally: The Lansing Board of Water and Light did not live up to our expectations or theirs.

I said it two weeks ago at the inauguration and I say it again tonight: This will be fixed. Multiple reviews are now underway and we will get to the bottom of what went wrong, and what went right, in the aftermath of the ice storm.

We are also reviewing our own performance at the City of Lansing. That review will help us continue to improve and provide the highest level of emergency response possible, if -- God forbid -- a natural disaster of this scale ever strikes again.

When the reviews are complete and recommendations implemented, our hometown power company will be ready for anything. And ready to serve the Lansing region with affordable, reliable power for the next 129 years. I have full confidence in the Board of Water and Light to make this right.

The ice storm was a traumatic event for many, but the things I will remember most include the caring and compassionate response from our citizens, neighbors helping neighbors, all of us pulling together to help our most vulnerable citizens weather the storm.

I'll remember our first responders, human service agencies, front-line city employees, citizen volunteers and our faith community, who toiled around the clock through the holidays. They opened up roads blocked by tree limbs and downed wires, set up shelters to keep people warm, and patrolled our streets to keep our city and citizens safe.

I want to recognize Trinity Church and the American Red Cross in particular for their extraordinary efforts during the storm. Pastor Marvin Williams from Trinity and Regional Executive Officer John Cauley from the Red Cross are with us tonight. Thank you both for your leadership. And please remember them in your charitable giving.

Above all, I will remember the men and women who risked their own lives under the most arduous conditions imaginable to restore our power. Some of those brave and hardy souls are with us tonight. Will the BWL lineworkers from IBEW Local 352 please stand and be recognized.

My friends, we've lived through some extraordinary times together, both challenging and rewarding. Yet through it all I see a future for our city that shines brighter than ever. And nowhere is that light more radiant than right here in this room.

To my left, please help me welcome the 2014 Cadillac ATS. The 2013 ATS won North American Car of the Year, and the 2014 edition is a real stunner. Don't you agree?

To my right, allow me to introduce the 2014 Cadillac CTS. What an incredible vehicle!

Seated in front of me are the people who make these amazing machines - the men and women of United Auto Workers Local 652. And united they are, because they work together as a team to achieve a singular goal - building the finest automobiles on this planet. Will all of you please rise to accept our thanks and congratulations.

Next I invite you to join me in welcoming Lansing Regional Plant Manager Tony Francavilla, and UAW Local 652 President Mike Green. I think they have something cool to show us...

The CTS was up against some stiff competition this year from the likes of BMW, Mercedes and Jaguar. But the design prowess, cutting-edge technology and craftsmanship that went into this vehicle blew them all away.

We've got the proof here with us tonight...we present to you the 2014 Motor Trend Car of the Year Award!

Gentlemen, thanks for your friendship, your partnership, and your extraordinary accomplishments. Bill Reed, President of UAW 602, representing the Lansing Delta Township Assembly plant, is here tonight as well. The products you make at LGR and Lansing Delta indeed make America great, and put Lansing on the map -- in the most positive way!

And stay tuned, because even more good news is coming from GM. Right now, just south of this building, site preparation is already underway for GM's new, \$44 million Logistics Optimization Center. The new facility is a precursor to the production of the next-generation Chevy Camaro that will soon move to Lansing -- a future winner of Car of the Year Award, no doubt.

We have so much to be proud of, but I have to tell you something: I am almost embarrassed to say that the people who are lucky enough to own one of these world class cars must then drive them on the Third World roads that plague this and every other city in Michigan.

Working within our limited resources, the city is able to invest about \$3 million each year in fixing roads, thanks in part to the special millage approved by our citizens three years ago. Three million sounds like a lot, but city engineers tell me that to really fix the problem, we need to invest five times that much, every year, for a decade.

Right now the State of Michigan has a \$1 billion surplus. I have an idea. Let's put people back to work by investing some of that money in our crumbling roads. Bad roads cost more than good roads. Let's rebuild the infrastructure that drives our economy; let's save working families from having to make expensive car repairs from running into potholes. Call your legislators, call the Governor and help me send them a message: Fix the roads - NOW!

Just as we need to invest in our physical infrastructure, we must also invest in our human capital, starting with our children. The safety of our children and the education of our children are perhaps the most important issues of our time. With rampant gun violence across our nation -- too much of it in our own city -- we must step up to the plate to keep our kids safe in and around our schools.

For the last seven years our School Resource Officers have helped create a school environment where kids can learn and be safe. The Lansing School District does an excellent job in this regard, but I believe we must wrap the arms of our community even more tightly around our children and our schools.

We've had great success with our Neighborhood Watch and Business Watch programs. This year, with the generous sponsorship of Sparrow Health System, we will launch School Watch. This volunteer-based, citizen patrol will keep an eye on our kids, our school campuses and surrounding neighborhoods -- helping to make our kids safe and secure.

The president of Sparrow Health System, Dennis Swan, is with us tonight. He is joined by Lansing Schools Superintendent Yvonne Camaal Canul, and Lansing Police Chief Mike Yankowski. Dennis, Yvonne and Chief, please stand and accept our gratitude for helping us create a safer and healthier community. We're so thankful to have a world-class health care system in our community, keeping our citizens healthy and helping us keep our kids safe.

I'm also grateful for the tremendous partnership between the city and the Lansing School District. Yvonne, together we can make it even stronger, and in the coming months and years that's exactly what we're going to do.

Last year, another visionary leader, Mayor Michael Bloomberg of New York City, granted us more than a million dollars to start Lansing's new Financial Empowerment Center. It's another effort to build our human capital by helping people learn how to manage their money, get out of debt, and improve their credit scores. In the nine months since we launched this amazing program, we have helped nearly 1,000 Lansing area residents chart their own path to financial stability.

One of those residents is with us tonight. Autumn Morris came to the Financial Empowerment Center because she was considering bankruptcy. Instead, her counselor Sonia helped her fix errors on her credit report, and together they designed a plan to pay off 100% of her debt by the end of 2014. She has now purchased life insurance and made a plan for her 5-year-old twins' college

education. Autumn, congratulations on finding *your* path to financial stability!

The director and program manager of our Financial Empowerment Center are here as well. Amber Paxton and Velma Kyser, thanks to you and your terrific counseling staff for making it happen.

We are blessed to have such amazing partners to help us move Lansing forward. It proves the proposition that we are stronger when we work together. Business and labor. Public and private. City and suburb. In the year ahead, we will do even more.

Tonight I am pleased to announce an exciting new partnership with Michigan State University's world-class Broad College of Business. Last fall, a class of Broad graduate students completed a data-driven analysis that will help us develop new strategies to prevent abandoned, dilapidated houses from endangering the quality of life in our neighborhoods.

This year we will grow that partnership to help us find even more ways to improve the quality of life in our community, and make our city government more innovative, more efficient and more responsive to our residents.

The director of Broad's Data Analytics program, Cheri Speier-Pero, is with us tonight. Cheri, will you please stand and be recognized. Thanks to you and Dean Lenway for your partnership.

Partnership also plays a vital role in the economic health of our city. Without a strong alliance between the public sector and private sector entrepreneurs, we would not have won more than \$1 billion in new investment and 10,000 jobs over the past eight years - even during these tough times!

And we will continue to use every tool in the economic development tool box to win these new job-creating investments, including economic incentives. In fact, without the aggressive use of incentives, we could well have lost major companies to other states, including Accident Fund, Jackson National Life, Emergent Biosolutions and even GM itself.

We never would have succeeded in restoring historic buildings like the Ottawa Power Station, the Mutual Building, the Hollister Building, or the Marshall Street Armory. We never would have fueled the continued revitalization of Old Town, or sparked the construction of new projects like Market Place on our downtown riverfront.

When it comes to economic development, we play to win, and that's exactly what we'll continue to do.

We have even more exciting projects in the pipeline, perhaps none more so than the Red Cedar Renaissance. We've already traveled a long road to breathe new life into that old golf course. There have been a few bumps along the way, and there are almost certain to be more. But I can promise you this: when we are done, the Red Cedar Renaissance will drive the reinvention of the Michigan Avenue Corridor for decades to come. Community design charrettes begin soon, and I can't wait to see some of the creative ideas our residents will bring to the table as we define a shared vision for Red Cedar.

I also can't wait to see the inside of the newly renovated Knapp's Building downtown. The outside restoration work is stunning, and I want to say thank you once again to Nick Eyde and his family for their devotion and partnership in bringing that majestic icon back to life.

Our vision and our pursuit of partnerships must extend beyond the borders of our city, and even beyond those of our nation. We must have a global perspective to compete and win in the global economy.

You may recall that I recently traveled to Italy in pursuit of new economic opportunities for Lansing. Tonight I am pleased to report our first success. Not one but two Italian companies have decided to open an office in the Lansing region. Saet, a leading manufacturer of industrial heat treating equipment, and Satiz, a global provider of integrated business communications solutions, will co-locate an office here that will grow to 40 employees within three years.

Please join me in welcoming our special guests from Torino, Italy: Davide Canavasio, CEO of Saet and Alessandro Rosso, CEO of Satiz. Davide, Alessandro, you traveled far to be with us tonight. *Benvenuto. Grazzi mille. Buona fortuna.* (Welcome, thank you, and good fortune.)

I also want to thank Bob Trezise and his incredible team at the Lansing Economic Area Partnership for their vision and leadership in relentlessly pursuing global opportunities for the entire Lansing region. Bob and the LEAP team, please stand and take a bow.

Defining Lansing's global brand includes the amazing cars GM builds. But it also includes world-leading companies like Emergent Biosolutions, Jackson National Life, Accident Fund, Blue Cross Blue Shield, Auto Owners, Neogen, and "a little company that could" called Niowave.

Niowave is a tech startup that spun off from MSU's cyclotron laboratory. With the help of economic incentives, they moved into the old Walnut Street School and set up one of the most sophisticated nuclear science labs in the world. They have grown so fast over the past six years that they need more space to manufacture their products. This Spring, Niowave plans to invest more than \$100 million to build a new production facility on the grounds of Capital Region International Airport.

Niowave could have gone anywhere in the world with their expansion, and in fact they were actively courted by folks from all over the country. But they chose Lansing, Michigan because of the power of an incredible partnership between Lansing, Dewitt Township and the airport.

Through that partnership we forged an historic, 425 tax-sharing agreement with Dewitt Township. We established a Next Michigan Development Zone to entice new and expanding businesses to locate there. And we opened a full-service U.S. Customs station and International Port of Entry to connect our airport to the global marketplace.

Together, these key ingredients set the table for Niowave's investment and growth, and the Lansing region will enjoy the fruit of that partnership for decades to come. The CEO of Niowave, Dr. Terry Grimm is with us tonight. Dr. Grimm, thank you for believing in Lansing and investing in Lansing.

We also learned recently that MSU has secured full funding for the Facility for Rare Isotope Beams - better known as F-RIB. That's great news for this region. Combined with the growth of Niowave, the construction of F-RIB will create a critical mass of nuclear science research and development - and hundreds of high-paying jobs - that will make Lansing, Michigan the Accelerator Capital of the World.

Even as we adapt to the new realities of the global economy by leveraging our assets, we must also continue to maintain fiscal discipline in the operations of city government. Our financial situation is improving by the day, but we cannot afford to act as though we are completely out of the woods. We still have long-term challenges that simply must be addressed.

Last year a panel of experts led by Mayor Hollister made a series of recommendations for strengthening Lansing's financial health, and for addressing our long-term pension and retiree health care obligations. We must keep our promise to retirees, but we also must adapt for the future and that means more change. It means more tough decisions. It means we will continue to implement the Financial Health Team strategies that will secure a strong fiscal foundation for Lansing's future.

We must also make vital strategic investments that enable our city to operate at maximum efficiency and keep up with the information technology revolution. Last year I proposed a major new investment in our city's outdated IT infrastructure. Virtually everything the city does is underpinned by computer technology, and our antiquated systems are a catastrophic failure just waiting to happen. They must be updated. I call upon my partners on the new Council to take up this matter immediately. Let's get it done.

Earlier today, the region's leading business organization -- the Lansing Regional Chamber of Commerce -- announced a new regional forum to facilitate dialogue and collaboration between the cities of Lansing and East Lansing; Ingham, Eaton and Clinton Counties; and our neighboring townships.

The forum will meet on a regular basis to build the mutual trust, respect and spirit of cooperation that is so vital to moving this region forward together. And that's the only way we are going to move forward -- together.

The Lansing Chamber will host and facilitate this critical conversation. President and CEO Tim Daman is with us tonight. Tim, thank you and the Chamber board for your partnership, your leadership, and your commitment to growing Lansing -- and the Lansing region -- together.

Several of our regional partners are also here tonight, including Vic Celentino, chair of the Ingham County Board of Commissioners, Delta Township Supervisor Ken Fletcher, and Delhi Township Supervisor C.J. Davis. Will you please stand and be recognized. I look forward to working with the each of you and our regional colleagues in the year ahead, and I hope to see you at the first meeting of the forum.

In fact, I already have some ideas for our agenda and hope you will bring yours to the table as well:

1. **Regional Representation on the BWL Board of Commissioners.** I am open to it; let's talk about the details.
2. **Regional Support for Regional Assets.** The Lansing River Trail, for example, is enjoyed by citizens from across the region, and a new organization -- Friends of the River Trail -- has been formed to promote and support this incredible, award-winning regional asset. Its founder, Kevin Shaw, is with us tonight. Kevin, thanks for taking the ball and running with it.
3. **Regional Facilities.** Over the next few years we must make key decisions -- 50-year decisions -- about the future of some of Lansing's government facilities, including City Hall, our police headquarters, courts, and detention center. In several of these areas, there is potential for partnership, mutual benefits, and savings for all of our taxpayers. Let's talk about it at the regional forum.

My friends, there are important lessons in partnership. The only way we will grow Lansing -- and the Lansing region -- is to do it together, to unite behind a common cause, on a path that we decide to follow together. The alternative is division and failure, as we've seen in other cities.

We see the power of partnership in so many areas: when neighbors get together and work with our police department to keep their neighborhood safe; when our downtown business community joins together to produce amazing community events. Silver Bells partnering with Radio Disney? Now that's cool.

And so is Lansing. We're a cool city, a proud city, and a resilient city. When we get knocked back a bit, we get up and come out swinging for the fences. Because that's how we roll. It's who we are. It's in our DNA as Michiganders and as Americans. We know how to work hard, and we know that we get better results when we work together.

The bottom line remains the same: it's still about good jobs for our citizens, so they can buy a home, raise a family, pay the bills and enjoy some of the wondrous pleasures that life has to offer.

We all want to live in a community that is safe, accessible, diverse and prosperous; a place where people are connected, woven together in a fabric so strong that nothing can tear us apart. That's what a great neighborhood feels like. That's also what makes for a great city.

We know in our hearts that we're all in this together. And still, from time to time, we let distrust and old ways of thinking get in the way of adapting to the fast-paced changes that are happening all around us.

My friends, we're in a new global economy where success will require us to drive the innovation, creativity, entrepreneurship and partnership that enables us to compete and win.

We can compete. And we will win. With your help and your partnership, we will keep growing Lansing together for years to come.

Thank you, good night, God Bless you and God Bless the City of Lansing and this great Lansing region.

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