

State of City 2009
“Challenges and Opportunities”
Thursday February 5, 2009
Convention Center

Introductions and Thanks

Thank you Charlie, and thank you all for being here tonight. I would like to introduce Columbia City Council: E. W. Cromartie, Sam Davis, Tameika Devine, Daniel Rickenmann, Kirkman Finlay, and Belinda Gergel. I also want to recognize my wife Beth, and daughters Liz and Lucy.

Tonight I first want to thank our City Manager Charles Austin for his hard work and dedication to our City. Charles Austin has served this City for twenty years, as Assistant Police Chief, Police Chief, Assistant City Manager and City Manager; always serving with grace, dignity and dedication. Charlie, we thank you for your service and friendship as you retire.

City Council is very pleased that Assistant City Manager Steve Gantt will serve as interim city manager through the national search, and Allison Baker will serve as interim first assistant city manager. While Steve will not be a candidate for City Manager, we look forward to his steady leadership and fully support him during this transition.

Also tonight I want to recognize the family of the late Reverend Roscoe Wilson Pastor Emeritus of St. John Baptist Church. Reverend Wilson was a giant in Columbia. He epitomized a person of kindness and strength. He was a friend and advisor. We will not see the likes again of a Reverend Wilson. Reverend Jamie Graham, Pastor of St. John delivered the invocation tonight. I would ask the Wilson and St. John family to stand.

The City has hundreds of employees whose hard work and dedication make Columbia a great place to live and work. I would ask all of our city employees to stand. In Columbia, our relationship with our neighborhoods is strong. I would ask that our neighborhood leaders stand and be recognized.

We have a great relationship with Richland County Council. Tonight we have with us Chairman Paul Livingston and other County Council members. With us also are the Chair of Richland County School District One Vince Ford, Superintendent Mack, and

other members of the School Board. Also with us tonight is Richland County Sheriff Leon Lott and members of the Richland County legislative delegation.

Tonight I would like to recognize Ike McLease of the Chamber for his outstanding leadership through BRAC and now his efforts to maximize the construction at Fort Jackson.

Also, I think it is appropriate to acknowledge tonight how far we have come as a City and Nation in being a community that judges people not by the color of their skin but by their content and merit. The election of President Obama is a sea change for our country. Columbia has always prided itself on celebrating our diversity and inclusion. This month we will celebrate Black History Month, and next week we will recognize the 100th anniversary of the NAACP. I would like to recognize Lonnie Randolph.

Current Climate

Ladies and gentlemen, today we are facing many challenges that threaten the great progress we have made in our City. The United States economy is in a crisis not seen since the Great Depression. Credit has been frozen, consumer purchasing declining, the country lost 2.6 million jobs in 2008 and the forecast is the loss of two to five million more in 2009 without action by the federal government. South Carolina and Columbia are feeling the impact of this national crisis. Every person in this room is concerned for his or her financial security, or has a close friend or family member who is concerned. There is an air of anxiety in our daily lives that we have not experienced as a community and nation in over a generation.

These are also challenging times in our City government. Now let me be clear and candid: We recognize and are committed to resolving the significant weaknesses in the basic operations of our city government. We have been scrutinizing our city's financial operations from top to bottom, and we have not been happy with what we have seen. We know that we critically need a financially stable and effective municipal government, and we are on our way to putting the structure, controls and reporting systems, and the staff in place.

Without making any excuses for embarrassing past weaknesses, we have now made solid progress in constructing a modern financial management structure for the city.

We have hired professional governmental accountants, many C.P.A.'s, in critical areas of our city's financial operations, and received top rate consultations and assistance from a team of professional governmental accountants pulled together by the South Carolina Municipal Association. Within the coming weeks City Council will secure the services of an outside independent Internal Auditor. A panel of business leaders has assisted in screening candidates for the critical position of the City's Chief Financial Officer, and we hope to fill this position soon. **We are committed to have in place a fundamentally solid financial management structure that will allow the city to be run with the skill and efficiency that our citizens expect and deserve.**

Vision

In these challenging times, our vision for Columbia and the Riverbanks Region has not changed. We are continuing our work with a goal of becoming a world-class City that keeps and attracts the best and brightest minds to make this their home where they can pursue their dreams and goals. A City that surrounds its people with a culturally rich and progressive environment that embraces our many diversities. A City made up of strong and growing neighborhoods. A City that enables and encourages all of us to reach our maximum potential and beyond by working together to lift each other up. And a City we are all proud to call home.

Despite the economy and the headwinds it presents on multiple fronts, we made progress toward achieving our vision in 2008. Continuing this progress in 2009 will be difficult, but we can go forward if we maintain our commitment to work together, keep our shared focus on achieving our vision, and take advantage of unique opportunities that only come about when we find ourselves in trying times.

Tonight, I want to first give you a report on our 2008 accomplishments before outlining challenges and opportunities for 2009.

Delivering Basic Services

As I have said for years, before we do anything else, we must deliver basic services. In 2008, we continued progress in this area.

Police and Safety

Fighting crime will always be our top priority. Chief Tandy Carter is implementing his Comprehensive Plan for the Police Department that concentrates first on hiring, retention, and training of the officers in our Department. This year's budget included the Police and Fire Recruitment and Retention Plan with a three-year phase-in that is raising salaries for our police officers and firefighters. We have started a comprehensive crime fighting initiative "Take Back Our City" that involves every City Department in making Columbia's neighborhoods safer. Our Police Department was reaccredited, and the City Solicitor Program was reinstated. Additionally we are taking major steps to make our apartments safer with our Safety and Security Program that was implemented last year. We remain committed to a security camera system and continue to work with our Criminal Domestic Violence Task Force. I would like to recognize the Safety and Security Advisory Committee Chaired by Henry Hopkins.

2008 saw progress with the implementation of our Gang Initiative. Assistant City Manager Allison Baker has reorganized our City efforts to addresses implementation, suppression and prevention. I want to thank Sheriff Leon Lott for his leadership on this issue and Abigail Rogers who drafted the study and will help us with implementation. Programs like PAL in the Parks, Harmony, Koban, Mini Biz Camp, and City Year's Young Heroes Program are making a difference in Columbia, as is the Sheriff's "Crossroads" Initiative.

Fire Department

The Department hired almost forty new Firefighters. Two ladder trucks were replaced, and land was purchased for a new fire station on Broad River Road. The Department was reorganized with the addition of a fifth battalion and six new Battalion Chiefs. This has improved response times for Battalion Chiefs, enhanced the command structure for emergencies and has improved the administrative oversight of the Department's 31 fire stations. All firefighters received new firefighting protective gear with new safety features for added protection and improved comfort that is helping provide more effective operations. The Department responded to twenty-nine thousand calls throughout the City and County, responding on average to an emergency ranging from fires to medical assistance every 18 minutes.

Basic Services

The City invested over \$49 million in water and sewer projects in 2008. We installed neighborhood lights in Olympia and Elmwood in March and have submitted grants to Central Midlands for sidewalks for Pinehurst and Hyatt Park. Our Pavement Management Survey for all City roads was presented to Council in April, and Columbia was designated at the bronze level as a Bicycle Friendly City.

Development Services

We adopted our ten year comprehensive plan-The Columbia Plan 2018 for managing growth and development in our City. Working closely with Richland County, the plan is tied into the North Columbia Plan, East Central, the Five Points Plan, and the Innovista Master Plan.

Our Code Enforcement Task Force delivered its final report in August and City Council is actively working to adopt its recommendations, including landlord registration. I want to thank and recognize the Chair of the Code Enforcement Task Force Reverend Wiley Cooper, and Co-chair Bob Amundson for the outstanding job they and the Task Force have done.

City Council adopted Interim Measures for Community Character Protection and applied it to seven neighborhoods. City Council designated Wales Garden as a local historic district and adopted mixed-use zoning and design guidelines for Five Points. Last year, our Code enforcement, housing, and zoning inspectors initiated almost 90 percent of all cases proactively, rather than waiting for complaints.

City Wellness Program

The City is committed to encouraging employees to choose healthy lifestyles. We have a new employee wellness program and was named a heart healthy City. I want to thank Tameika Devine for your leadership.

Addressing Community Needs

In Columbia, our City plays an active role in addressing community needs beyond basic services. We work in these areas in partnership with public and private interests to

make our City more livable, more caring, and more inclusive because we know that to be a world class city, we must have a plan for success that includes all our citizens.

Affordable Housing

The City has continued our successful CityLiving Housing Initiative Five Year Plan and our Housing Emergency Loan Program (HELP) to meet the needs of our elderly and disabled citizens in funding crucial items such as heating and air conditioning systems and roof repairs.

Homelessness

The City's Housing First Pilot Program has expanded to thirty-eight people. The University of South Carolina's Department of Medicine provides case management and other supportive services and the Columbia Housing Authority provides the housing. Housing First has shown that providing stable housing as quickly as possible can result in higher levels of success and cost effectiveness in addressing the core issues that cause homelessness.

The City has again successfully opened our temporary Winter Shelter on Calhoun Street with day services.

"Together We Can"

In 2007 we initiated "Together We Can", a community-wide effort to support Richland One. We started by asking our local universities and colleges to help us conduct a comprehensive review of the existing data, to see how Richland One compares to other similar districts. That study was completed by Dr. Les Sternberg of the USC School of Education. Dr. Mack has hit the ground running as the new superintendent of District One and is helping incorporate "Together We Can" into the fabric of the district. We must work to create innovative and creative incentives for businesses to support Richland One schools. There are many excellent programs that are currently doing just that including the After School Alliance with Traci Young Cooper, Midlands Education and Business Alliance, the Challenge Day Initiative approved by City Council in October, the City's Lunch Buddy Program at Brennen Elementary, and City Year's Midlands Reading Consortium, Whole School Whole Child, and City Serv-a-thons. The City, thanks to the leadership of Tameika Devine and Belinda Gergel, has started "Together We Can

...READ” literacy program. The City will distribute the official city book, “Charley’s Columbia Backyard” to all third graders throughout Richland One. City Officials and other “guest” readers will go into the schools on a designated day in March to read the book to 3rd grade classes.

Cultural Enrichment

Delivering basic services well is our first order of business for any City, and addressing community needs is our duty, but to be the City we envision, we must attract and retain bright minds with abundant talent. In 2008, we continued our work to make Columbia a destination city for those seeking a creative environment.

Three Rivers Greenway and Redevelopment

There has been \$400 million in private investment around the Three Rivers Greenway after an initial public investment of \$7 million. The new USC Baseball Stadium will open in February. The old bus barn site on Huger Street is being cleaned up. CanalSide is moving forward and the Bull Street Neighborhood is on the market.

Historic Columbia Foundation

In addition to continuously improving the properties and programs at our local historic house museums, Historic Columbia Foundation is expanding its research and outreach to develop neighborhood histories, programs and self-guided walking tours. This project, Connecting Communities through History, will not only document our local history, but also provide access to residents and visitors alike. Utilizing materials gathered from a similar program in the Waverly Neighborhood and other historically African American areas of the city, this year more than twenty historic signs that mark African-American sites will be unveiled.

The Arts

The arts community in Columbia and the region are continuing to present programs that will enhance our quality of life. Ten years ago on July 18, 2008, the Columbia Museum of Art opened their new facility on Main Street. In that time, we have

seen not only a downtown renaissance, but also a revitalization of the Museum itself. With its focus on quality exhibitions, the growth of its own collection and community outreach, the Columbia Museum of Art is a success story.

One of the most exciting and successful recent developments in the City is the restoration of the 701 Whaley property in Olympia and the establishment there of the 701 Center for Contemporary Art.

Columbia City Ballet is presenting a world premiere of *The Hootie* and the *Blowfish Ballet* and the band will play during the performance. Other arts groups continue to present and perform events that are on a level of quality with any city in the country. This is due, in part, to funding provided by the City of Columbia through Hospitality Tax grants.

EdVenture

EdVenture continues to set attendance records and provide valuable educational experiences for the greater Midlands community as well as serve as a dynamic draw for nearly 100,000 tourists from across South Carolina and throughout the country. The museum welcomed its One Millionth visitor in the early fall and celebrated its fifth birthday in November. EdVenture continues to advance the public's understanding of science and is one of twelve science centers nationwide to have the responsibility for a major initiative, funded by the National Science Foundation, to educate our communities about Climate Change.

Metropolitan Convention Center

The City along with various other government leaders and key partners within the community developed a new brand and marketing campaign for Columbia. "The New Southern Hot Spot" has created a positive image for our region. Tourism and hospitality is a \$1 billion dollar industry in the Columbia region. This industry has maintained its standing despite the hard economic times. New hotel properties are being developed and built and that lends itself to more employment opportunities. I want to thank Daniel Rickenmann for his leadership in marketing Columbia.

Nearly a quarter of a million visitors attended events at the Convention Center in 2008. Since its grand opening, the Columbia Metropolitan Convention Center has steadily gained in the number of events. However the facility is facing a major challenge because business is outgrowing the facility. Expansion of the Convention Center is necessary in the near future. In addition, the Columbia Regional Sports Council brought in events that added almost 10,000 additional hotel room nights into the Columbia area.

Benedict College, Allen University, and Columbia College

Benedict Stadium is transforming Two Notch Road. Allen University is experiencing a rebirth, with its renovations and new campus construction. We helped fund Columbia College's new recreation facility that will also serve neighborhoods in North Columbia.

Drew Wellness Center

The Charles R. Drew Wellness Center has been a tremendous success that serves the entire community. The Fresh Market and a bank branch have opened across the street at Cecilia Saxon. Thank you E.W. Cromartie.

North Columbia

The City is emphasizing code enforcement and security in North Columbia. The North Main Streetscaping Project has started. We have completed one North Columbia Clean Up and scheduled another. I want to thank Sam Davis for his leadership in this area.

Rivers

We held the first River Summit in September and announced our action plan that included establishing the Congaree Riverkeeper. Alan Mehrzad has been appointed as the Riverkeeper.

Good to Great

Finally, the City has funded and supports the Greater Columbia Chamber of Commerce's "Navigating from Good to Great." This effort has already focused our

minds on taking steps that will enable us to realize our vision and represents the cooperative spirit that is transforming our City.

Business Development

In addition to delivering basic services, addressing community needs, and fostering cultural enrichment, achieving our vision requires that even in these tough economic times we continue our business development efforts. In 2008, we made more progress in this area.

Office of Economic Development/Business in Motion

Despite the downturn in the economy we still have companies looking at the Columbia Region to relocate or expand their operations. The recent announcement by the South Carolina Department of Commerce concerning the company - Bridge to Life - is a example. Our Economic Development team including the SC Department of Commerce, the Central SC Alliance, USC, Engenuity and our City Office of Economic Development are working together to bring new jobs and investment to Columbia. A new partner, the South Carolina Research Authority is now playing a significant role in this effort, and their SC Launch Program has real assets to help companies grow. I would recognize and thank Bill Mahoney, President and CEO of SCRA.

Our Business in Motion Program that already has meet with over one hundred existing companies.

Engenuity

Engenuity continues to lead the collaborative development of our knowledge economy. In less than two months, Columbia will host National Hydrogen Association's annual convention. This will be the largest and most prominent convention ever held in Columbia. Over 1,200 attendees from leading national and international energy, automotive, technology and industrial companies, as well as academics and government officials will be here to convene the largest and longest running hydrogen conference in

North America. Engenuity is leading local efforts to maximize the economic development – and tourism – impact of this special event.

In 2008, Engenuity continued its work in collaboration with USC, SCRA and the City to manage the Greater Columbia Fuel Cell Challenge, awarding \$700,000 in grants that leveraged over \$1.5 million in federal and private sector investments to build the hydrogen and fuel cell economy in our region. We also recruited our first fuel cell manufacturing company, Trulite, to the region and discussions are ongoing with additional companies that want to be close to the intellectual capacity we have in this field at USC and Midlands Technical College.

Working with the Greater Columbia Chamber of Commerce, New Carolina, Columbia Opportunity Resource, and the Convention and Visitors Bureau, Engenuity launched the Columbia Talent Magnet project, a program designed to attract and retain a young, highly educated workforce. The USC Columbia Technology Incubator continues to expand with over 45 companies, 44,000 square feet of space, and new companies joining every month. Our FastTrac Midlands program is approaching 200 graduates, and we launched the region's first ever Technology-based FastTrac class. With all of this activity, Entrepreneur.com ranked Columbia in the top ten mid-sized cities for entrepreneurship.

Disparity Study Implementation

The Office of Business Opportunities had a very successful year. The Mentor/Protégé Program was finalized. We have 55 mentor-protégé teams and sixteen projects. \$5 million of those projects have been awarded with 40% of that amount going to small, minority and female businesses. DESA and BP Barber were awarded the first contract in August. The Subcontracting Outreach Program was finalized and participation has increased by 245%. Of the \$55 million in City contracts awarded in 2008, almost \$26 million went to sub-contractors and 14% of that was to minority and female businesses. The Fast Trac Program has been a success, and the Construction Management Pilot Program list was approved. The Centralized Bidder Registration System/Bid Online is being finalized. The City's Business Spotlight Program recognizes one small business a month at our City Council meeting. Our Work Initiative Program has started to train the

homeless in carpentry and masonry jobs. Economic inclusion is a guiding principle for Columbia. We are going to work collaboratively to train unemployed workers to fill the new green jobs of the future. The Columbia Urban League has been training young people for years, and now we must do more. I would like to recognize J.T. McLawhorn.

Main Street

Main Street and City Center Partners had a very productive year. Phase II of Main Streetscaping is nearly complete. We adopted a retail strategic plan, hired Amy Stone and recruited Uptown Gifts, Dunkin Donuts, Wilder Realty, and Gotham Bagel. The Sheraton Palmetto Hotel opened and the \$60 million nineteen story office tower at Main and Gervais by John Holder is under construction. Despite the difficult economy, our downtown office market remains strong with an 87% occupancy rate. Wachovia announced a decision to remain on Main Street in April. The State Newspaper said in October that Main Street had seen “stunning successes” in office and residential. There are 110 residential units on Main Street with 98% occupancy. Lady Street also has seen a dramatic revival. The Lincoln Street parking garage is open. The City is continuing long-term planning for the improvement of Assembly Street.

Agenda for 2009

We are made progress in many different areas in 2008, despite the national economic recession. It is clear now that we are beyond the days of wondering whether the Vista will be a success. We are still seeing Innovista come to life. Main Street and Five Points continue on upward trajectories. And even our housing market has not sustained the losses seen in other parts of the state and country. Amid enormous financial pressures, Dr. Harris Pastides is continuing the strong town-and-gown relationship. Our overall spirit of inclusion and mutual respect still distinguishes us from so many other fractured and divided cities, not just in the South, but across the entire country.

But 2009 will be as difficult as any year in recent memory. Nonetheless, we must maintain our focus on addressing our City’s management and safety needs while keeping a sharp eye on our finances. We must also look for creative ways to protect and grow our economy, so that we are able to address community needs and foster cultural enrichment.

Challenges

Hiring a New City Manager

In 2009 we will see a new face in the key leadership role of city administration. City Council is launching its efforts to hire a new city manager. We will undertake a comprehensive and exhaustive nation wide search with the goal of hiring a permanent manager as soon as is practicable. This search will be undertaken in a professional, transparent and inclusive manner so that the resulting hiring decision will be worthy of the respect of our citizens.

Finance Department and Health Care

We will complete the restructuring of our Finance Department as I outlined earlier. We are also making changes in our employee and retiree health care program to contain the increasing costs with this program. I want to thank Kirkman Finlay for his leadership on this and all financial issues.

Police and Safety

City Council remains committed to providing our public safety departments all of the resources necessary to keep our neighborhoods and business districts safe. We must also be strategic in deploying our financial resources, most particularly in creating the type of incentives that will allow us to retain our best public safety officers. We have asked our new police chief and city manager to provide us creative proposals that will assist the Columbia Police Department in becoming the best paid, best equipped and best trained local law enforcement agency in South Carolina.

Federal Stimulus Funding

The federal stimulus bill, expected to be signed into law this month has been a focus of City Council's attention because of the promise it offers for making investments in our economy. This legislation, which will be the centerpiece of the federal government's efforts to assist our ailing economy, will provide funding for a multitude of items that can benefit our community – including new police officers, health care

facilities, road and bridge projects, education and research infrastructure, enhanced bonding authority, and more. We have been working hard to make sure that Washington is aware of the Columbia's funding priorities. I want to note the particular assistance of Congressman Clyburn and Senator Graham in working on this matter. Columbia will be prepared to participate fully in the stimulus legislation in order to put our citizens to work and transform our economy.

We are mindful that some of the most enduring and beautiful public projects of the past were constructed during the depths of the Depression as part of President Roosevelt's Works Progress Administration. We have "shovel ready" public projects awaiting funding, including streetscaping programs for North Main Street and Harden Street and infrastructure projects necessary to build Columbia's visionary Water Front Park and Innovista.

RTA Funding

We have identified the necessary funds this year and next year to preserve, in partnership with the County, our bus system until a countrywide referendum can be held in 2010. Many of our citizens rely on the bus system to go to work and the doctor. Allowing the bus system to fail is not an option. It is critical that the city do its part to fulfill its end of the deal to keep our buses on the road.

Homelessness

We must work hard in 2009 to find common ground with service organizations and neighborhoods in addressing the critical needs of Columbia's homeless population. While various organizations and groups have differing strategies to address the homeless issue, all of us share a common commitment to relieve the suffering of our homeless citizens and to mitigate the adverse impact of homelessness on our neighborhoods and business districts. We need to seek common ground for effective action.

Sustainability and Green Jobs Initiative

In addition to the stimulus items noted above, the Obama administration has pledged to invest significantly over the next four years in efforts to lessen America's

dependence on foreign oil, reduce the amount of CO2 emitted into the atmosphere, and reduce the overall amount of energy consumed in the U.S. This effort is undergirded by a belief that an economic revolution similar in scope to the digital revolution of the past decades, and the industrial revolution of the past century is possible over the coming generation. **This “green revolution” will increase worker capacity, lower the cost of goods, and create wealth, benefitting the world economy and standard of living. It would also address challenges associated with climate change and, in America, redirect the almost-\$1 trillion currently sent to oil-producing countries to domestic sources of energy.**

The stimulus bill contains the administration’s “down payment” on this economic “green revolution,” transforming the way our country produces and uses energy, including research and development into alternative energy sources, increasing energy efficiency, deploying new technologies, retraining workers for new industries, upgrading transit systems, and investing in electricity grid improvements.

The Columbia region has an opportunity to take advantage of this national effort and accelerate the transformation of our local economy that has already begun. Because of the steps we have already taken in future fuels research and commercialization, the entrepreneurial ecosystem we are building, and the local will to become more energy efficient and independent, our region is poised to benefit exponentially from the “green revolution.” Our challenge is to align our local work with the funding expected in the stimulus bill, and subsequent federal expenditures expected over the next four years, to shorten the timeline to achieve a knowledge-driven economy in Columbia. At the same time, we can also make improvements in our local institutions and infrastructure that will have sustainability benefits for years to come. **Columbia is prepared, and we will be part of this new economic transformation.**

I have asked Neil McLean and Engenuity to lead the effort to identify, prioritize and coordinate our region’s activities in this area so that we can speak with one voice and act in concert as we pursue the benefits of the “green revolution” in the Columbia region. Our goals will be:

- To reduce our dependence on fossil fuels by advancing development and use of future fuels;

- To reduce energy consumption through conservation and energy efficiency investments;
- To expand our knowledge economy through research and commercialization of technology;
- To accelerate knowledge-based economic development through investments in infrastructure;
- To foster job creation through investments in science, technology, and energy education & workforce development; and
- To enhance quality of life in our region making us more attractive to the talent we wish to attract.

This is another unique opportunity that we must seize that will pay dividends for years to come in our community.

Conclusion

So this is the state of our City in 2009 – challenges and opportunities.

The year 2009 promises to be full of extraordinary challenges for our city but it is also a time of extraordinary opportunities. We are going to hire a new city manager; strategically use federal stimulus funds; establish an effective retention and pay program for our police officers; complete the reorganization of our finances; adopt a new health care plan for our employees; keep the buses running; and seek common ground on homelessness.

If we are smart, strategic and collaborative, if we leverage our talent and resources, the City can play a critical role through federal stimulus funds in mitigating the worst aspects of the economic downturn while building the infrastructure and green economy for a vibrant city of the future. We can make the necessary, and at times tough, decisions to make our city government more effective and efficient and our public safety departments second to none. We can do this if we follow the path of earlier generations of Columbians, who, faced with the devastation of war, famine and economic challenges, united in a common purpose to preserve and promote the public good. Our citizens deserve nothing less. Thank you.