

Mayor Chris Coleman  
Budget Address  
Remarks as Prepared for Delivery  
8.13.12

Today, on this beautiful day in Lowertown, we gather once again as I present my proposed 2013 budget. Thank you for being here. Kathy, thank you for that nice introduction. I also want to thank Jack Gerten of the Farmers Market, Jim Golden of Golden's Deli who has provided refreshments and Jill Wilson who graciously corralled a number of food trucks to join us today.

Over the past several weeks, councilmembers and I have had the pleasure of meeting with dozens of community members at coffee shops across the city. I've read hundreds of emails. My office has fielded hundreds of calls from concerned residents. You talked about the importance of libraries, the need for bike lanes, and the significance of having a visible, engaged police force. You have also shared concerns over rising property taxes, particularly seniors and small business owners.

I thank all the city employees and Saint Paul residents for taking the time to come meet with me directly. You are why I have and love this job, and I appreciate your perspective.

This is my sixth budget address. There have been familiar themes throughout. We have faced difficult challenges, including the worst economy in decades, political uncertainty and dwindling state and federal revenues for cities. But these hurdles have been met with

a resolve to rise above them and move forward. We have not been deterred nor defeated. The evidence is all around us.

We gather here at this location to remind us of promises fulfilled. Almost two years ago, I stood with community members, business and labor leaders, and elected officials in this same place and announced my Rebuild Saint Paul initiative. This initiative targeted \$1 billion worth of new investment in 15 sites across Saint Paul. They ranged from a new pool at Como to a joint library and recreational facility at Payne and Maryland. There were projects throughout Saint Paul like J and J Distributing, Frogtown Square, the Schmidt Brewery, and the Lafayette Bridge. It also included public/private development opportunities such as the Lofts at Farmers Market and the Penfield, a mixed-use development which will include a full-service Lunds grocery store.

Nearly all of the projects that we announced as part of Rebuild Saint Paul are either completed, have broken ground or are substantially underway. Those completed have already shown their worth: Whether it's the Lofts at Farmers Market, fully-leased since before the grand opening, or the Como Pool, also full since opening day. Others, where ground has been broken, are already changing the landscape. On that sweltering day in July, as we broke ground on the Penfield, we were changing downtown. Weeks later, as we gathered to break ground on the Payne Maryland project, we knew we were changing the lives of generations to come on the east side.

The evidence of all this work is abundantly clear from where we sit. And it will only come into clearer focus in the coming months. We will break ground on a new regional ballpark. In fact, Louis Jambois and the Port Authority now own the land--so let's get this project done.

The Union Depot is preparing to be the new hub of transportation in the East Metro, even including Amtrak trains in its transportation services. Construction of the Central Corridor, now over 60 percent completed, will be about 75 percent complete by the end of this year. We do hear the train a-comin' but, unlike Johnny Cash, we can see the sun that shines on Saint Paul.

Years ago, a downtown resident approached me and said, "I really like living in downtown Saint Paul—it's so quiet!" Well, with all due respect, that's the worst reason ever to want to live in a downtown. The core of our city has to be a bustling, vibrant heart of the community, filled with the sounds of jazz, the sight and smell of the Farmers Market, and streets filled with residents, workers and visitors. And that is what it has become.

Lowertown is now recognized as one of the hottest neighborhoods in the Twin Cities. Its vitality is growing exponentially, and we are going to continue that work. One small but important example lies in the sidewalks of Lowertown. With Councilmember Thune's support, we are going to double the size of a key stretch of Lowertown sidewalk to make way for outdoor cafes. Imagine sitting across from Mears Park during Jazz fest, now

being able to grab a glass of wine or a bite to eat. We're going to seize on the progress made to date and keep it growing. I want to thank Jim Crockarell and Dave Brooks for supporting this improvement and for believing in the greatness of Lowertown.

Bedlam Theater recently chose Lowertown as the new home for its nightclub and theater. Executive Director John Bueche stated that moving into downtown Saint Paul would have been "suicidal" just a few years ago. John is here with us today. Join me in letting him know he made the right decision.

Another sign of success is the recent arrival of Flagstone Foods, one of the nation's largest producers of snack foods. Flagstone recently relocated to downtown's Lawson Commons building. In the words of Flagstone's CFO, Kevin McMenimen, Saint Paul is a "vibrant business community." They saw the opportunity here and wanted to be a part of the future growth. Kevin is here with us today. Let's welcome him to Saint Paul.

Lenny Russo, owner of Heartland restaurant right across the way, penned an opinion piece a few weeks ago titled *Saint Paul's renaissance is real*. He's right. You can feel it when you walk through Mears Park and hear music playing throughout the summer – from the Jazz Fest to Concrete and Grass or any Thursday night as hundreds gather to listen to great performances. You can feel it as people gather in Rice Park to dance in the streets to all types of music. You could feel it gathered amongst the nearly 100,000 people that stood below the grand dome of the Cathedral to watch competitors hurl

themselves down the Crashed Ice course or among the thousands lucky enough to get tickets to the Winter Carnival's newest highlight: the Beer Dabbler.

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All of this progress is great. But if it had been built on a weak foundation, any ill wind might cause it to crumble. That is why central to all of our work is building our city's future on firm financial footings.

Every day, we hear of cities across the country that are struggling because they haven't been honest about what it takes to build great communities. Recent history is peppered with an alarming number of citywide bankruptcies that have resulted.

If you were with me two and a half years ago at the Union Depot as I was sworn in for a second term, you might recall that I drew an analogy between our city and a white pine. Now, you may also remember that I incorrectly announced it as the state tree. But I still like the comparison.

Recall that the white pine is known for taking root in less than desirable soil. It spends its first 10 to 20 years of its life establishing a dense, solid layer of roots before it grows up out of the ground. That unbeatable layer of roots is necessary for the white pine not to just withstand being blown around by the heavy Minnesota wind, but to thrive in that environment.

In Saint Paul, we have spent the last six years establishing our solid roots by carefully minding the city's finances. We changed how the city does business. The city had used short-term solutions to solve long-term budget problems. Now, and for the last several years, the budget is structurally balanced, meaning we use ongoing solutions for ongoing spending. We built up a budget reserve and, along with the Council, established a fund-balance policy that we continue to adhere to, and continually achieve amongst the highest ratings from both Moody's and Standard and Poor's for our handling of our budget.

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Responsible government isn't just about keeping costs down. It's about asking the question, "Are we investing in the things that we value?" This budget reflects a dedication to children and public safety. It understands the importance of private investment. It prioritizes green space and our parks. It continues our investment in critical infrastructure.

But it also reflects a commitment to Saint Paul's taxpayers to contain costs. Today, I propose cutting the City of Saint Paul's baseline budget by about \$1 million, bringing the 2013 budget to a level even lower than 2012. The 2013 budget includes the largest healthcare savings we've seen in decades, thanks in large part to our partnership with HealthPartners. In order to bring the budget into balance, I also propose raising the levy by 1.9 percent – at or slightly below the rate of inflation.

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As we have repeatedly lost state aid over the last six years, I have been adamant that our police and fire departments have as much support as possible to do their jobs efficiently

and effectively. In spite of these state cuts, not one police officer or firefighter has lost his or her job. In fact, there are more firefighters on our force today than there have been in 18 years. I am committed to continuing that tradition of protecting our fire and police departments, which, in turn, protects our residents.

In the police department, we will continue to have an authorized strength of 610 officers. Unlike last year, when Chief Smith held seven positions vacant to stay within budget, we'll restore over \$1 million in funding to the department in 2013. I have asked the Chief to move expeditiously to fill all vacancies quickly so that we will have as many officers on the street as we can.

Our fire department has maintained its status as one of the best in the country. Fast response times continue, and the department enjoys a well-earned trust from Saint Paul's residents. While other fire departments have been scaled back, ours has continued to invest in personnel, equipment and training. It hasn't always been easy. And negotiations can be tense. Our firefighters take their responsibilities seriously. And it's hard to argue with a person that runs into burning buildings.

However, one thing that I value over all else is the opportunity for all to have a seat at the table. Whether you are a provider of public safety services, a librarian helping kids to read or a person working in the hospitality industry, it is a core value in Saint Paul that you have a right to be part of the discussion that shapes your work environment. And

while at the end of the day decisions must be made, they are made better when all voices have been heard.

That is why we went through an extensive process of mediation to determine the best path forward for our fire department. The agreement reached last week was made possible through the efforts of Chief Butler, Local 21 President Mike Smith and his members and a team that included Councilmember Russ Stark, Council President Kathy Lantry, George Latimer and members of my administration. It will ensure that we have the highest level of protection throughout the city and that we will be able to maintain our full complement of 433 firefighters.

As you know, the third leg of public safety is the City Attorney's Office. Several years ago, working with community members, advocates, victims and experts in confronting crime, Saint Paul developed the Blueprint for Safety. This blueprint continues to help our City Attorney's Office work closely with other law enforcement agencies, including the police department, to reduce crime on our streets. We must continue to build on their nationally-recognized work. With that in mind, this budget adds an attorney who specializes in community involvement. This person will help carry out the work of the blueprint and will continue our work to protect victims of domestic violence.

An often overlooked component of public safety is aptly named the Department of Safety and Inspections. We don't give a lot of thought to fire escapes, electrical work and permitting when we eat at a restaurant, go to work or move into an apartment, but their



diligence ensures that each one of us is safe in the places that make Saint Paul a great place to live and work.

As a city, Saint Paul has not been immune to the ills of the housing crisis these past few years. DSI has a monumental task before them to assess, inspect and ensure that the homes in our city are safe and secure. With their work, we're fast on our way to recovery. A stable housing stock is essential for our neighborhoods to be strong, and DSI is leading the way.

I am proud of the work being done by DSI and its Director, Ricardo Cervantes. But, as Council President Lantry, Councilmember Brendmoen and others have suggested, it is time to do a thorough assessment of how the department operates. It will be an opportunity to examine how the department is run and how we can create a better, more efficient process for our customers – whether you are an already-established business, a new prospective employer or a resident of our city hoping to remodel your house.

We will set aside money in the 2013 budget to undertake the assessment and, upon completion, begin to implement those recommendations.

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Police Chief Smith has said it time and time again--we have no better crime deterrents than safe and fun places for our children to spend time and continue their learning when school is out. That is why we must also consider our libraries and parks and recreation centers when we think about public safety. We all know that successful children become

successful adults who contribute back to the communities where they were raised. The roles of our libraries and recreation centers cannot be overstated.

We've invested in the Sprockets afterschool initiative and watched the organizations involved in it strengthen their ability to provide quality youth programs throughout Saint Paul. Their great work continues today.

We've invested in our widely successful Summer Blast program, that gives kids in grades 1 through 6 an opportunity to enjoy various gym and fitness opportunities at recreation facilities while the Public Library offers various summer learning opportunities.

Among the great work that is happening in our libraries is reading time for children in their native languages and homework help for both children and adults after school, as well as computer classes offered in seven different languages. For years, funding for these programs has come through community grants. Unfortunately, this funding is ending. But our commitment to these important programs is not. We have to give our children every opportunity to succeed. We have to close the achievement gap. Our libraries are the key to that mission. While there will be a slight reduction in hours at the Central Library, it is consistent with our goals of focusing our limited resources where they are needed most. We will also commit to funding a full library collection when Payne Maryland opens. As Councilmember Bostrom says, a true miracle is a child learning to read. That will happen in the new center because of his tireless efforts.

This year, we invested \$60,000 to kick-start our parent engagement plan, and in 2013 I propose committing an additional \$190,000. We know that when parents are involved in their children's learning, their children are much more likely to succeed—we see higher grades, test scores, graduation rates and even better self-esteem. From Parent Academies to the *Think College Early Fair* – a college fair that aims to get students as young as 12 and 13, and their families, to start planning for education after high school - this funding will go a long way to improving our children's chances for success.

A few weeks ago, we applied for a second round of grants for the Saint Paul Promise Neighborhood. We are hopeful about the results. Saint Paul's Promise Neighborhood is the most promising program we have seen in years to battle the achievement gap and give our most disadvantaged youth the tools they need to succeed. That investment is perhaps the most important one that we can make, and I truly look forward to watching it grow.

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Several years ago, we began investing in overhauling and upgrading our entire technology infrastructure system. This will continue at full pace in 2013. While difficult and expensive, it is absolutely essential that we undertake this project after years of ignoring our crumbling technology infrastructure. When completed, we will have re-engineered our business practices, saving time and money, and increased digital access for our residents. We will also have invested in our critical emergency response system, allowing public safety personnel to communicate more efficiently with each other and other law enforcement agencies.

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The Frogtown community was vocal in their need for new parks and greenspace, along with creating an area for community farming. The Frogtown Farms project will preserve a valued oak grove and provide a sledding hill for residents to enjoy during the winter. In a city known for its parks, it is important all of our neighbors and residents have access to green space. With that in mind, I am committed to funding the Frogtown Farms project.

But Frogtown Farms isn't just another project to bring more parks to the city. It is an investment in the Frogtown community. Through this project, we are leveraging additional private sector investment in an under-invested area of the city. We know that access to green space spurs this economic investment, and we plan on utilizing that knowledge. Thank you to Councilmember Carter for your work in helping to make this project a reality, the Trust for Public Land for helping to secure this land, and the Wilder Foundation for the generous gift to our community.

So much of our work is dependent on partnerships with the private sector. One example is our effort to help homeowners struggling with their mortgage or others who need assistance purchasing a home. The city recently partnered with Wells Fargo to expand a program to aid residents in buying a home. The program, called Neighborhood LIFT, will educate residents on what is necessary to buy and own a home, make finding a home easier, and offer down payment assistance to qualified buyers. Those funds will be distributed in early September.

We have made a great deal of progress in recent years across the city. But our work is not done. We continue to look towards the Ford site as one of the most transformative opportunities in the history of the city. This work will not be done in a matter of months. It will take place over many years to come. But we are going to get it right. I want the redevelopment of the site to be an international model of best practices in mixed use development with the absolutely best sustainability practices in the world. I look forward to working closely with Councilmember Tolbert and the community to ensure we make the most out of that space.

I also look forward to working with Councilmember Stark as we take full advantage of the Central Corridor to bring green, living-wage jobs to the area. His recent efforts to attract companies, like Greenpoint Manufacturing and Design, whose considerable success repurposing old industrial buildings into multi-tenant buildings will bring new jobs and innovative solutions to the Green Line.

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Years ago, as a law student at the U of M, I ran an orientation program for incoming students. It included a “whirlwind tour of the Twin Cities” that took two busloads of newcomers around town. In Minneapolis, I took them to Mary Tyler Moore’s house and Minnehaha Falls—I figured they could figure out Minneapolis on their own. The rest of the trip was spent in Saint Paul. I took them down Summit, past the place where Fitzgerald penned his first novel, the place where Hill ran his empire, the Cathedral, the Capitol, Rice Park, eventually to Swede Hollow and the tasting room at Stroh’s brewery. It was my hope that they would see there was a magnificent city just across the river,

even though I knew they would spend most of their time buried in books or just sneaking out to nearby watering holes.

A few weeks ago, I met a student from the U of M Law School living near Mears Park. I asked how she ended up in downtown while going to school at the U. She told me, somewhat incredulously, “Are you kidding? All my friends from school want to be in downtown Saint Paul.”

We’ve come a long way. We have a lot to be proud of in this city. Together, we have put down firm roots, are growing strong and soaring to great heights.

Thank you for helping make it happen.