

2009
State of the City Address
By Mayor Gerald D. Jennings
Presented to the Albany Common Council

Fulfilling the Promise

Good evening and welcome to historic City Hall. Thank you for joining me tonight as I, once again, have the honor of providing you my report on the state of our City.

Each year that I have held this office - even last year when my annual message focused on our acute budgetary challenges - I have been proud to report, that because of our collective efforts, and as a result of our record of successful programs and initiatives, that the state of our City was strong and that our future was bright.

Tonight, despite the financial crisis facing our Nation and our State, and despite the strains that financial crisis has placed on our City – I believe that the state of our City continues to be very strong and, that in many respects, our future has never looked brighter.

I offer you this assessment, not simply because I am an optimist by nature, but because of the real and tangible evidence this report will detail.

It is a report on the impressive progress we have achieved over the past 15 years in the areas of economic development, neighborhood revitalization, and public safety, and in the overall improvement in the quality of life of our great City. It is a report that will also highlight some new initiatives that are the foundation of my vision of Albany, as a modern and innovative Capital for the 21st Century. And, it is a report that I believe demonstrates our commitment to, and our success in fulfilling the promise I made on my very first day in office and that I have renewed every year since – the promise to make City Hall a catalyst for change and to build a better Albany.

You may recall that on that first day our City faced enormous challenges – a multi-million dollar budgetary shortfall; stagnant economic development; a downtown in decline; a real property tax base that had not been reassessed in over 50 years; and neighborhoods scarred by years of neglect and disinvestment.

Together, we set out to address those challenges and to change our City. We launched Capitalize Albany to address the needs of our downtown and our neighborhoods, and to forge partnerships with State government and the private sector to begin the process of rebuilding our City. We streamlined the operations of City government to more effectively provide our citizens with the services they deserve. We involved thousands of young people in constructive youth

programs. We improved our parks and playgrounds. We provided support to our cultural and arts organizations, and kept several of them from closing their doors. And, we put into place sound budgetary practices that have consistently resulted in the City's strong bond ratings.

In fact, just a few weeks ago, one of the three major bond rating agencies in the Nation raised our bond rating not one – but two levels – giving our City the highest bond rating in the State outside of New York City. This new rating is an affirmation of the management practices we have put into place, and of the fact that despite the economic downturn taking place in other parts of our State and Nation – Albany stands apart largely because of the success of so many of our economic development initiatives, and our success in finding new sources of recurring revenue, primarily our 19-a PILOT payments.

As many of you know, one of the first things I did after taking office was to invite a group of community and business leaders – stakeholders in our City – to work with me to develop a plan of action based on a long-term vision for our City. The goal was to create an economic development strategy that would guide us into the 21st Century with a set of feasible recommendations and clear priorities.

The result was Capitalize Albany, which articulated our basic vision for the future of our City, identified big-thinking goals and objectives and, most importantly, provided a clear strategy on how to achieve transformational change. Some of you here tonight joined me in formulating that plan. Since then, we have refined it, celebrated its successes and continued to look for new ways to do even more to achieve our goal of building a better City.

Tonight, I am pleased and grateful to announce for the first time that as a result of these economic development initiatives – over \$6 billion dollars has been invested in projects throughout our City. And perhaps the even better news is that nearly \$1 billion dollars more in projects stand ready to move forward in the days and months ahead.

The City's Department of Development and Planning, and their partners at the Albany Local Development Corporation and at the Albany Industrial Development Agency, remain focused on attracting new investment, facilitating new construction projects, and creating significant new job opportunities. I want to thank Commissioner Mike Yevoli, Deputy Commissioner Megan Daly, Planning Director Doug Melnick and Community Development Director Tom Griner and the staff of the Department of Development and Planning, Albany Local Development Corporation and IDA for their outstanding work in helping us achieve such success.

In the past five years alone, the Albany IDA provided financing assistance for 37 projects that leveraged more than \$626 million in investment in new and expanding facilities and has assisted with the creation and retention of more than 3,000 jobs. Without the IDA, these projects and investments would likely not have occurred, and accordingly, I ask you to join me in urging our State Legislature to pass the necessary civic facility legislation that will enable our IDA to continue its vital role in urban revitalization.

I believe that one of the best ways for our State to work its way out of its present financial crisis is to invest in our cities – urban centers are the economic engines that drive state economies – and our vitality is crucial to the State’s economic recovery. Cutting State aid to municipalities - as has been proposed – will force cities to cut back on services and on quality of life initiatives. It will also force cities to pass the financial burden onto real property owners in the form of increased property taxes, and this will just result in more property owners moving away from the State. Instead, the State should help municipalities attract new businesses and new jobs that will, in turn, stimulate not only the local, but also the State economy as well. I can’t underscore the importance of this enough, and our Federal Government must also provide support to energize our State and local economy. It must be the role of the government to offer innovation and stimulus-based programming.

I applaud the Governor for lobbying our new President and new Congress for Federal assistance to the State in the form of aid to support infrastructure and public works projects.

Infrastructure projects are important not only for safety and for quality of life reasons, but also because they often serve as catalysts for urban economic revitalization efforts.

Our downtown revitalization began with infrastructure improvements along Pearl Street and along Broadway. In the coming year, we will begin the design and planning for the reconstruction of State Street and for even more enhancements to our vital waterfront and Corning Preserve. These infrastructure initiatives have been vital to attracting new businesses, residents and visitors to our City. They would not have occurred, but for our success in obtaining State funding.

Likewise, a new convention center, which will create hundreds of new jobs, and which will attract thousands of visitors annually to our City, will further our efforts to stimulate our economy and enhance our urban center. A new convention center will benefit not only Albany, but, as a catalyst for economic development, it will ultimately benefit the region and the State as a whole. I continue to strongly support the construction of a new convention center, and I thank the members of the Convention Center Authority, particularly Assemblyman Jack McEneny, for their dedication to this project and their efforts to adjust and privatize elements of the project – it is the right way to go.

Over the past several years we have been very successful in securing State support for the expansion of facilities at the Port of Albany. As a result, the Port has become a player on the world stage of commerce, and business there continues to grow and expand – benefiting not only the region, but also the economy of the State as well. I want to thank Chairman Bob Cross and Port Director Rich Hendrick for their efforts in making our Port of Albany a world class facility.

One of the most important economic development initiatives to emerge in our City in the past 15 years, is the research and development center at Albany NanoTech, which is steadily becoming a driving force for the future of our region. I am pleased that the City of Albany is home to this global center of learning, innovation and discovery. It has been a strong partnership between the City, the State, and the University at Albany, that has provided unprecedented

support in the form of private and public investment. The environment that attracted Albany NanoTech is precisely what Capitalize Albany was designed to create.

Every day, there are more and more people working and learning at the NanoTech Campus. The facility now hosts 700,000 square feet of clean-room, classroom and building space and over 2,500 researchers and staff from companies such as IBM, Tokyo Electron and International Sematech.

The facility has also attracted more than 250 global corporate partners, and is the most advanced research complex of its kind at any university in the world, making the City of Albany the center of not only New York's Tech Valley, but also of global initiatives in the field of nanoscale technology.

In September of 2008, Governor Paterson and other New York State leaders gathered at Albany NanoTech to announce significant new investments by IBM and New York State, accelerating the State's international leadership in nanotechnology research and development and creating up to 1,000 new high-tech jobs upstate. The State pledged to support this endeavor with economic development grants, which will leverage more than a 10-to-1 private investment of \$1.5 billion from IBM.

This is just the beginning of what we will see at this center and its impact on our region, and even the world - not only the direct impact on academic and employment opportunity, but also its potential to drive business and real estate development in our City and in our region. The future looks very bright indeed, and for my part, I will continue to work with the University and the State to ensure that we all can benefit from the exciting developments taking place.

Additionally, we will work in parallel with the State on redeveloping the nearby Harriman Campus, because as Albany NanoTech expands and creates associated business demand, the Harriman Campus must be prepared and modernized as the real estate development opportunity it is with 330 acres of underutilized space. Our goal remains the same: to work with the State to advance the redevelopment of the Harriman Campus to create new investment, new jobs, and new tax-base opportunities for our City.

At the same time, my goal is to see that this asset is redeveloped in a manner that is in harmony with the surrounding residential communities. Our residential neighborhoods are what set this City apart from so many other places. They are unique, diverse and historic. But while each have their special assets and distinctions, some have significant challenges as well.

Since I took office in 1994 I have appreciated the importance - and have worked to address those challenges. Also, since that time, I have directed my Planning and Community Development staff to initiate a number of neighborhood planning efforts that have resulted in meaningful change. From working to develop affordable housing, to supporting first time homeowners, to assisting local neighborhood small businesses invest in their operations - my administration has been dedicated to our residential communities.

We have invested tremendous time, resources and planning efforts to enhance the quality of life in all our neighborhoods, and particularly in our most distressed communities. From North Albany, to Arbor Hill, the South End and Park South, we have developed and implemented important and achievable plans. Millions of dollars have been and will continue to be invested by the City, the Albany Housing Authority, the Albany Local Development Corporation and the private sector in each of these neighborhoods, and in neighborhood commercial districts throughout the City. These investments have already resulted in a tremendous number of new or rehabilitated quality affordable housing units, improved streetscapes, and new neighborhood commercial storefronts in almost every neighborhood in the City.

This past summer we celebrated the fifth anniversary of the Arbor Hill Neighborhood Plan. The Plan, adopted in June 2003, was developed with community input that directed the focus on four key areas: homeownership and affordable housing; business and job development; arts and cultural heritage, and quality of life. Over the past five years, we have witnessed significant results in each of these categories. The neighborhood's newest initiative, the North Swan Street Mixed-Use Project, embodies all four of these themes. This \$14 million project incorporates new infill development and historic rehabilitation, and since the Arbor Hill Plan was released, more than \$30 million has been invested, and more is planned in order to make the Arbor Hill Neighborhood a vibrant gateway community for the City of Albany.

Speaking of gateways, this past summer after consultation with the City School District and in concert with their closing the Arbor Hill Elementary School for renovation, we demolished, for safety reasons, the nearly 40-year old Arbor Hill Pedestrian Bridge. I am pleased to announce that we will build a new bridge to coincide with the re-opening in 2010 of the Arbor Hill Elementary School. This project, too, will contribute to the ongoing revitalization now occurring in Arbor Hill.

Likewise, the renaissance of our South End is important to not only the residents and business leaders of that neighborhood, but also to the overall vitality of our City. Since we finished the Capital South Plan in 2007, the City continues to build strong momentum for its implementation. Like the Arbor Hill Plan, this Plan was primarily driven by community input and is customized to the community's specific needs. Spearheading the revitalization initiative is the \$22 million development project now underway at Broad Street and Morton Avenue. The City, the Albany Housing Authority, and Omni Housing Development Corporation have collaborated to construct 52 new units that will provide safe and modern housing for families currently living in substandard residences.

Other current South End revitalization projects in progress, or that will soon be undertaken, include the development of 34 units on Morton Avenue and 10 units that will be built as single-family row houses on Broad Street. These units will be offered to low-income families on a rent-to-own basis as a way of seeding long-term homeownership. Additionally, the Albany Housing Authority is making major modernization improvements to their Creighton Storey Homes and Ezra Prentice Homes housing developments. The Housing Authority's new headquarters on South Pearl Street as well as the City's infrastructure improvements to that vital corridor, have also served as catalysts for urban renewal. We believe all of these initiatives will

effectively stimulate continued South End revitalization, eventually leading to more private investment and sustainable businesses in the community. I want to thank Housing Authority Director, Steve Longo, and his staff for their success in each of these efforts.

As many of you know, less than three years ago the City of Albany adopted the Park South Urban Renewal Plan, and since that time, major projects are taking place that are already transforming the Park South neighborhood.

This year, the Knox Street Redevelopment Project completed the historic rehabilitation of 18 buildings. These buildings, which once housed 62 cramped and outdated units, have been transformed into 47 high-quality and affordable apartments. Each of the units was rented upon completion, and Winn Development is maintaining a waiting list for those interested in units that may become available in the future. The overwhelming success we are seeing on Knox Street is driving additional investment, both small and large-scale in Park South. People are taking notice and are sharing our vision of Park South as a neighborhood of choice.

Following the success of the Knox Street Project, we made a strategic move to take on the next component of the Urban Renewal Plan, and successfully applied to New York State for a Restore New York grant to construct a mixed-use building at 16 New Scotland Avenue. Once construction of this \$20 million development begins, new sidewalks, trees, lights and bike racks will be installed along the Avenue. This will set the tone for a continuous walkable corridor connecting Washington Park to Albany Medical Center and University Heights.

We have worked hand-in-hand with St. Peter's Hospital and Albany Medical Center as they plan significant investments in this corridor. St. Peter's expansion, already underway, will take place in three phases, and will amount to a total investment of over \$300 million. Albany Medical Center has recently unveiled plans for a \$360 million hospital expansion on the southwest corner of New Scotland and Myrtle Avenues. These transformational projects are acting as catalysts for further development of New Scotland Avenue and for investment in Park South, and much more is on the horizon for this rapidly revitalizing neighborhood.

Encouraging homeownership is perhaps one of the most effective means of creating a more vibrant and stable City of residential neighborhoods. To this end, we created a Midtown Homeownership Program in 2005 with six college partners and Citizens Bank. Since that time, the Program has welcomed 58 new homeowners to the Midtown area and, as a result of the Program's success, Albany Medical Center has recently committed an additional \$50,000 to the Program to enable more of their employees to purchase homes in the neighborhoods surrounding the hospital.

Additionally, to encourage homeownership throughout the City, our Community Development Agency works to assist new homeowners find and purchase a home, and also works with existing homeowners to help them make necessary improvements they may not otherwise be able to afford to improve their existing home. I am particularly proud that our successful relationship with the U.S. Department of Housing and Urban Development over the past 15 years, has enabled us to provide important programming and funding assistance to support homeownership initiatives in the City of Albany.

As an example, since 1997, the Albany Community Development Agency's LEAD Rehabilitation Program has received over \$27.5 million in grants to make over 1,850 units of Albany's housing stock Lead Safe. In fact, our lead abatement program has been recognized as one of the most successful in the Nation.

We have been fighting blight in our neighborhoods for years with successful programs like our anti-graffiti program and with investments such as the \$28.8 million Hope VI grant that we received in 1998 to rebuild hundreds of outdated units in North Albany and Arbor Hill. To further our neighborhood redevelopment initiatives, during 2008, we created the City's Division of Neighborhood Revitalization. This Division is implementing recommendations from Capitalize Albany – including the Abandoned Building Initiative, which will utilize funding, programming and resources to reduce the number of buildings that negatively impact neighborhood livability. As a testament to the importance of this Division's work, this past year we earmarked almost \$600,000 to jumpstart the program, and the Division now works in concert with the mission of the Block-By-Block program I established in November of 2007.

The Block-by-Block initiative, lead by Chief Tuffey, provides for enhanced coordination between City departments, the District Attorney's Office and the State Attorney General, to combat blight and improve quality of life issues in defined City neighborhoods or zones. While addressing vacant and abandoned properties was the initial goal, representatives from all City departments review code compliance for all buildings in a zone. Owners are cited for noncompliance, and if violations are not rectified, owners are quickly brought to City Court. The Block-by-Block team handles everything from litter and noise complaints to broken street lights.

Key to Block-by-Block's success has been the creation of a comprehensive data system that has been invaluable for City departments involved with quality of life issues to share information and to develop comprehensive solutions to address these issues. Block-by-Block is changing the City's business model, making it easier for City staff to respond in a quicker and more efficient manner. I want to thank Chief Tuffey and all of my department heads for their commitment to making the Block-by-Block initiative a success.

Our neighborhood revitalization plans and our Block-by-Block initiative are without question improving the overall quality of life in our neighborhoods – and that in turn is having the positive effect of making our neighborhoods safer.

Our City Fire Department has played a major role in operation Block-by-Block. The Department is, as you know, responsible for code enforcement as well as emergency services, fire prevention and fire safety. Once again, the Department has been rated by Firehouse Magazine as one of the busiest departments in the Nation. In fact, the Department has received this recognition annually for the past 10 years.

The Department's response times for emergency calls are among the best in the Nation, and can be credited with saving the lives of so many of our citizens. The Department also is a vital member of the highly acclaimed Citizens' Protective Services Committee, established in cooperation with Adult Protective Services, the Albany Housing Authority, the Albany Police

Department, Child Protective Services and the Albany County Health Department among other agencies, to deal with difficult situations involving code compliance and individuals requiring special intervention.

With regard to code enforcement – the Department conducted nearly 20,000 inspections all in an effort to ensure the safety of our housing stock and the welfare of our citizenry. We have put absentee and neglectful property owners on notice – come into compliance with our codes – or face the consequences. To ensure such compliance, we have, and are continuing to streamline the enforcement process, and we now hold special code compliance sessions in City Court where City attorneys prosecute code violations. These efforts are having positive results in terms of compliance and we will continue to intensify our efforts in 2009. I want to thank Chief Forezzi and the brave men and women of his Department for their commitment to ensuring a better and a safer City.

Safety has been and will always continue to be our first priority, and because of the efforts of the Albany Police Department there should be no doubt, but that we are a better and a safer Albany. With the implementation of new technology, advanced training and best practices, the Department has evolved into one of the finest in the State.

In fact, in 1999, the Department went through the arduous task of receiving accreditation from the New York State Division of Criminal Justice Services. The accreditation is an affirmation that the policies and procedures of the Department adhere to the “best practices” standards set forth by the State of New York. I am proud that we continue to maintain this accreditation – and that under Chief Tuffey’s leadership, the Department has continued to improve the overall efficiency of the Department. The Department has done this through an effective reorganization that included the creation of the Strategic Deployment Unit, through strategic partnerships with other local, state and federal agencies, partnerships such as Operation Impact and through the implementation of new technologies, such as daily crime mapping, daily crime trend analysis and E reporting, all in an effort to achieve the greatest possible success in suppressing and deterring crime.

I am pleased tonight to report that as a result of these efforts, violent crime in 2008 decreased by nearly 8%, making 2008 the third consecutive year violent crime in the City has decreased. In fact, violent crime, which includes murder, rape, robbery and aggravated assault, has decreased overall by 18.4% from 2005 to 2008. The success the Department achieved over the past year far exceeds the national crime average among cities and towns with populations of 50,000 to 99,000. FBI statistics show a 6.3% increase in violent crime nationally in such cities from 2005 to 2007, while during that same time period, Albany’s violent crime decreased by 11.5%.

Clearly - as a result of our successful community policing and technology-based tracking and enforcement initiatives – we are a safer Albany – and that is a message our citizens and those considering whether to live, work or visit here must hear.

While we are justifiably proud of the fact that violent crime has decreased in the City, we must also be ever mindful of the senseless violence that resulted in last year’s tragic deaths of

Kathina Thomas and Richard Bailey, and we must vow to do all we can as a community to ensure that such violence never, never again occurs in our City.

Any level of crime is unacceptable, and that is why we will continue our vigilance in suppressing and deterring it. We will continue to reach out and form community partnerships in each and every neighborhood, and we will take seriously the recommendations of the Gun Violence Task Force to ensure the safety of all of our residents, particularly our children – who deserve the opportunity to live in a crime free environment. Chief Tuffey, and the rest of the men and women officers of his Department, are committed to that goal and we thank them for their dedication and success in ensuring a safer and better Albany.

One of the recommendations of the Gun Violence Task Force is that we work in partnership with our schools to make sure they are safe havens – particularly during after school hours when studies have repeatedly shown most youth violence occurs. Utilizing a National League of Cities grant, we will continue to work with representatives from several City agencies, Albany County, the Common Council and the City School District among other stakeholders, to develop a plan to create a comprehensive City-wide after school program that will be accessible to all of our City's youth.

I have been a strong advocate of this concept and have asked the City School District to work with my administration to open up teen centers in school buildings during after school hours, using Department of Recreation staff to help run the programs. I continue to make that offer and hope this year the School District will accept. We have recently begun discussions with some of the City's charter schools and I hope to have exciting news in the coming months about the possibility of using their facilities for teen centers that will provide our children with safe, supervised and structured programs that can offer them alternatives to actions that can lead to street violence.

I am talking about programs such as the many award winning sports programs offered by our Department of Recreation. The Department continues to provide thousands of our children with opportunities to enjoy state-of-the-art recreation facilities, playgrounds, basketball courts, tennis courts, community centers, swimming pools and yes – even a skating rink. Additionally, literally thousands of children have benefited from the Department's award winning karate, boxing, soccer and skating programs, among other programs, designed to give our young residents structured activities and positive experiences critical to their growth and development.

I want to thank Commissioner John D'Antonio and his staff in the Department of Recreation for their success in offering our young residents so many meaningful programs. Additionally, I want to thank Commissioner Faye Andrews and Deputy Commissioner Sal Villa and the staff of the Department of Youth and Workforce Services for their efforts at improving the lives of the children in our City. The Department's Truancy Abatement Program continues to receive not only State, but Nationwide recognition, and was nominated by the National League of Cities as a "best practices" model for other cities.

Similarly, the Department's Gang Prevention Program, Workforce Investment Program, Summer Youth Employment Program, and Youth Build Program have had positive impacts on

the lives of thousands of our children. We know that comprehensive approaches that combine prevention, intervention and enforcement strategies are what work best to reduce youth violence. We also know that we, the City, cannot do it alone - we need to form strategic partnerships and alliances for the benefit of our children.

Last August, I announced, along with Saint Rose President Mark Sullivan, a unique partnership to develop athletic fields at Hoffman Park in the southeastern part of the City. Saint Rose will spend \$4.5 million to develop new baseball, soccer, lacrosse and softball fields under a 30-year lease with the City. The College and the City will jointly share in the use of these fields to serve not only college students but also young schoolchildren from throughout our City.

This is a great example of a public-private partnership that has, and will continue, to inspire others to support the development of our City. I salute Joe Plumeri, from New York City, who has donated \$1 million to this project. I thank Saint Rose and my colleagues in City government for “thinking outside the box” in coming up with this plan, which will dramatically improve one of our City parks and provide a superb facility during the summer months for our young people to grow and thrive.

This joint effort will affect the lives of so many young people in Albany who need outlets for recreational, physical and educational development. The Joe Plumeri Sports Complex truly exemplifies the best form of a town-gown relationship. I look forward to joining all of you at the groundbreaking this June.

We have the programs and the resources – this year we will again spend over \$8 million on youth, cultural and recreation related activities - and we have some of the finest higher educational institutions in the Country right here in our City. We can create a “City of Excellence” for our children that will offer them a continuum of life and learning experiences that will provide them with all of the skills and opportunities necessary for success.

In the next several days, I will announce the creation of a new committee that will be charged with moving forward on a call by the National League of Cities to Mayors across the Country to take bold and immediate action on critical issues facing our children in urban America. Here in Albany, as is the case in cities across the Nation, we need to make certain that our children have positive learning experiences, caring adults, safe neighborhoods and healthy environments. And we need to ensure that families receive the support they need so that they in turn can provide supportive environments for their children.

This new committee will focus on these challenges and on implementing recommendations from the Gun Violence Task Force. I want to thank Councilman Dominick Calsolaro for working with me to develop the Committee. The Committee will also work to draw support from the business community; the education community; the legal community; neighborhood and not-for-profit organizations; faith-based organizations; the medical community and other stakeholders invested in the future of our children.

Albany is already a national leader in the creation of nanotech, high tech and information age jobs. I am committed to ensuring that our children have the training and skills needed to

compete in an increasingly diverse and competitive global marketplace. And, as I have also repeatedly stated, we need to close the divide in achievement that exists along lines of income, race, ethnicity, language and disability, and we need to advocate for higher standards of achievement at all grade levels. Our children need early childhood education and they need internet access and computer training. This new committee will work on all of these challenges. I urge all of you to join me in our efforts to achieve these goals. And by working together, there is no doubt that we can and that we will create a “City of Excellence” for our children.

Toward that end, I am pleased to announce that we have just secured a \$196,000 HUD grant to expand the Albany Free Net Program to increase the availability of the WI-FI Network in the neighborhoods where internet adoption is lowest due to socio-economic barriers, and where there is a pressing need for high-speed wireless service. I want to thank Tech Valley Communications for partnering with us in the creation of this WI-FI network that will make Albany Free Net one of the highest performing wireless services in the Country, and that will help us in our effort to close the technology divide.

Our children are, of course, our most important resource. And, as I have said often – helping our young people realize their potential and fulfill their dreams is the most important thing we as public officials can do for them and for our City.

Some of you may recall that two years ago the New York Times did a wonderful story on our City, citing our impressive amenities and attractions. The writer of the piece expressed surprise at all of the wonderful things our City has to offer, particularly our great architecture, beautiful open spaces and thriving music scene. Albany, he wrote, “far exceeds the usual expectations.”

A few days ago, thousands enjoyed our Winterfest celebration, and during the course of the past year, nearly a quarter of a million people attended the many and diverse events sponsored and produced by our Office of Special Events in the magnificent venues our City offers, such as Washington Park and the Corning Preserve.

These special events add to the City’s vitality and enhance our special sense of community – they are responsible in large part for those intangible qualities and characteristics that define a place, and that attract visitors and new residents to our community.

Did you know that for five years our City has been named Tree City USA by the National Arbor Day Foundation because of our commitment to urban forestry; that we plant over 260,000 tulips and over 230,000 flowering plants (many grown in our own greenhouse) in flower beds and in parks and in community gardens throughout the City? These initiatives have not only enhanced our quality of life, but also they are an important part of our greening and beautification initiative that received national recognition as a “best practice” by the U.S. Conference of Mayors.

I want to thank our Office of Special Events, our City gardeners and our Forestry crew and all of the employees of the City’s Department of General Services - led so well by Commissioner Nick D’Antonio - for their efforts in making our City an attractive and vibrant

place to live, work and recreate. There is no doubt that your efforts – as the Times writer noted – make Albany a place that “far exceeds the usual expectations.”

The Department is also responsible for the many road and infrastructure projects we have completed throughout the City. Over a 10- year period, nearly \$120 million has been invested in street improvement projects. In the coming year, we will complete the nearly \$17 million Central Avenue TIP project, and continue to work on the \$11 million Delaware Avenue TIP Project. We will also this year invest nearly \$5 million in City funded road projects in neighborhoods throughout the City. I want to thank City Engineer Dede Rudolph and her staff for their hard work on all of these projects.

There is no doubt that we need to spend millions more on infrastructure – that is why I will continue to lobby the State for more funds for road projects and for more equitable treatment on how the State treats cities versus suburban communities when it comes to road maintenance and reconstruction. There is no acceptable reason why, for example, Western Avenue is maintained by the State until you reach the City line and then – the responsibility is ours – the same with Delaware Avenue, Central Avenue, New Scotland Avenue and with other major roadways that intersect the City. I’ve raised this concern before and ask you to join me in lobbying the State for an equitable remedy.

I also ask for your support in urging the State to move forward on our application for a permit to expand our Rapp Road landfill – I’ve spent the past several State of the City messages talking at length about how critical the expansion is – not only to the City but also to the region, particularly to the other members of the Answers Community. The City has used its very best efforts to propose an expansion that we believe minimizes impacts on the Pine Bush Preserve. We have spent the past year meeting with stakeholders and interested parties to come up with this proposal that includes a multi-million dollar habitat restoration project as part of the construction of the landfill itself. The Habitat Restoration Project will make the Preserve a truly world class ecological destination, one that will serve as a legacy for future generations to enjoy.

In the event a permit is delayed, the effect on the City’s finances will be dramatic. In the event a permit is denied, the effect will be catastrophic – City residents will be forced to pay for trash pick-up; members of the Answers Community will be on their own and subject to higher market rates for waste disposal; and City neighborhoods will just not look the same as a result of the inevitable consequence of illegal dumping. We’ve offered a win/win proposal with this expansion. It will give us the time to come up with a long-term, cost effective, ecologically sound solution for regional solid waste disposal. I want to thank DEC for their efforts to date, and I hope you will all join me in encouraging the Department to act expeditiously in our favor.

I am pleased tonight to announce that we have just signed an agreement with Fortistar Methane Group to construct and operate a new plant at the City’s landfill that will be operational by 2010 and that will generate up to 4.8 megawatts of electricity using methane gas produced by the landfill. Not only will we be eliminating a greenhouse gas by producing a renewable energy source, but also, as a result of this agreement, the City will receive an average of over \$2 million per year for the next 20 years. Good for the environment, good for City taxpayers. This new revenue will be important as we continue to deal with the City’s ongoing budgetary challenges.

During the past year, I spent a great deal of time and effort to get State leaders to deal with the real inequity our City faces in the amount of municipal aid we receive vis-à-vis other major New York cities. In addition to not receiving equitable municipal aid payments from the State, Albany has the concomitant burden that over 65% of our real property is tax-exempt, largely as a result of State ownership. This situation places an undue burden on our real property taxpayers.

My lobbying efforts last year, as you know, resulted in the State Legislature passing the Harriman PILOT legislation that would have, over 30 years, provided the City with \$11 million annually. I want to thank Assembly Majority Leader Ron Canestrari, Assemblyman Jack McEneny and Senator Neil Breslin for their support. Unfortunately, the Governor vetoed this legislation, because of the State's financial crisis.

As a result, the City, in preparing its 2009 budget, faced a nearly \$15 million budget shortfall that had to be closed by cuts that affected every City department. It was the most difficult budget I've had to prepare, but we made the cuts and closed the budget gap for 2009, and we did it in ways that will not affect the critical services we deliver to our residents. But the need for additional funds for 2010 and beyond remains, largely because of proposed cuts to our State financial aid, and because expenses beyond our control continue to escalate.

Hopefully, the proposed cuts will not be part of the State's adopted budget and that the Governor will support our request to address Albany's inequitable municipal aid payments. I ask you to join with me in encouraging him to do so. While we appreciate his valiant efforts to deal with the State's financial problems, and we are willing to do our part – the inequity in municipal funding must be solved, and Albany must receive its fair share of State aid. For my part, I will continue my efforts to make certain the Governor understands our needs, for both our general fund and for economic development.

We have approximately 800 vacant and abandoned houses that need to be either rehabilitated or demolished at a cost of tens of millions of dollars that the City's general fund could never possibly afford. While the number of vacant and abandoned houses is down from estimates just a few years ago, there are still far too many that remain. The majority of these houses will never be rehabilitated by the private sector, not unless there is a substantial commitment of public assistance that can only come from Federal and State funding. I believe our new President understands this from his experience working in Chicago's most challenged neighborhoods. In the days and weeks ahead, we will ask our new Congressman, Paul Tonko, and our good friend, Senator Schumer, to take our needs to the new administration and to Congress, and to ask for their help in our ongoing efforts to continue to build a better Albany.

Our City has been molded by more than half a century of federal policies that created challenges that we continue to try to overcome. Fortunately, we have a new President who understands the needs of urban America, and who is talking about tangible ways his administration can help rebuild our cities – we are excited and inspired by his vision for our Nation and the promise of his new administration. Let us all do our part to support his call to unity, to responsibility and to service.

We have so much underway and planned for our future. My vision for this great city builds upon our strengths to create a sustainable place to live, work and learn. This work includes a new City-wide comprehensive plan that is utilizing community input to design a roadmap for the future. As well, I am committed to green initiatives and sustainability efforts that offer significant environmental and economic benefits. To that end, this year I signed the Green Jobs Pledge and I endorsed the “Empowering Local Climate Action” Blueprint for the new President and the 111th Congress. As well, in order to reduce municipal greenhouse gas emissions and to increase cost efficiencies, I have initiated a comprehensive energy audit of all city buildings. These initiatives, and so many others that we have in the pipeline, will result in positive, meaningful benefits for our City. On all fronts, I am committed to achieving this and further believe that with your continued support, it is well within our reach.

I began my message this evening by offering you my assessment that the state of our City is strong and that our future in so many ways has never looked brighter. I have detailed the basis for that assessment, and the positive changes that have occurred in the City, and I have mentioned some of the department heads and individuals responsible for the many successes and accomplishments of this administration. I additionally want to thank City Treasurer Betty Barnette, my Deputy Mayor, Phil Calderone, my Budget Director, Chris Hearley, my Executive Assistant, Bob VanAmburgh, Corporation Counsel John Reilly, City Assessor Keith McDonald, Personnel Director Beth Lyons, City Clerk John Marsolais, City Registrar Denise Kelley, Purchasing Director Bill Ferber and Building Director Nick DiLello. I also want to thank my family for their support and encouragement, particularly my incredibly understanding wife, Mary Ann. And I want to thank you, and all of the residents of this City, who have given me the opportunity and the privilege to serve them as their Mayor.

People often ask me about the long hours, the countless events and all that goes into being on the job 24/7 and my response is – it’s been the job of a lifetime – a dream come true for a poor kid from North Albany who grew up loving this City and wanting to give back to it as much as it has given to me.

You’ve heard me say this before, but it is a core belief – good government is an endless pursuit. So to is the challenge to build a better City – and for me the challenge will not end until every resident - every man, every woman and every child has been given the chance to share in the very best we as a community have to offer. God willing, and with the support of the good people of Albany, we’ll have a few more years to continue fulfilling this promise. And so tonight - as I have done every year in my State of the City message – I renew the promise I made on my first day as Mayor – the promise to build an even better City – a City that offers all of our residents even more opportunities to realize their hopes, their dreams and their aspirations.

Good night and may God bless you and all of the residents of our great City.