



Lexington-Fayette Urban County Government

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Mayor

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State of the City: Lexington is a city on the move

By Mayor Jim Gray

Good day and thanks to all of you for being here.

Thanks to the Lexington Forum for hosting us.

And thanks to our councilmembers...our partners... here they are, right up front:

- **Vice Mayor Steve Kay**

At-Large Councilmembers:

- **Kevin Stinnett and Richard Moloney;**

District Councilmembers:

- **James Brown,**
- **Sasha Love Higgins,**
- **Jake Gibbs,**
- **Susan Lamb,**
- **Bill Farmer,**
- **Angela Evans,**
- **Jennifer Scutchfield,**
- **Fred Brown,**
- **Jennifer Mossotti**
- **Amanda Mays Bledsoe,**
- **Peggy Henson, who could not be with us today, and**
- **Kathy Plomin.**

Will you all please stand? All the Councilmembers ... let's give them a round of applause!

I also want to welcome **University of Kentucky President Eli Capilouto; and UK Executive Vice President for Health Affairs Michael Karpf.**

- I'll have more to say about the enormous contribution UK makes to our community a little later.

And welcome **Superintendent Manny Caulk and our school board members, Doug Barnett, Raymond Daniels, Daryl Love and Chair Melissa Bacon.**

This is my seventh State of the City address, and every one of them has started with **recognizing our Councilmembers.**

I like starting off this way to remind all of us in this room, and throughout our great city, that we are a team. We work together to make progress for our city.

You know, we've learned that potholes aren't Democratic; traffic isn't Republican. **What's most important is what we share:** a love for this city; a fierce devotion to problem-solving and to our constituents; and a passion for living up to the legacy of leaders like Henry Clay, who once said, **"Government is a trust, and the officers of the government are trustees. And both the trust and the trustees are created for the benefit of the people."**

The state of our city *is* the state of its people. That's what I'm here to discuss ... what we are doing in city hall for our people's benefit. Our successes. Our challenges. Our opportunities. And our vision for the future of Lexington.

I give you this report knowing that, as Americans, we find ourselves in **turbulent times.**

- There are people from all points of view asking honest and legitimate questions about the direction of our country.
- About 5,000 of them were marching up our Main Street just three days ago.

I'm here to tell you that in Lexington we are moving *forward*. We are *getting things done*. We are building a ***Great American City***.

Let's talk about our economy:

- In the last six years, our city has created just over 15,000 new jobs. There are more employed in Lexington today than at any time in our city's history.
- Our unemployment rate has gone from 7.7% in 2011, to 2.8% today ... the lowest since December 2000 ... one of the lowest in the nation.
- And our workforce participation rate is well above state and national averages, meaning **those who want to work are finding jobs in Fayette County.**

- Personal incomes are up. In the last 5 years, average annual wages in Fayette County have gone up by nearly \$3000.
- On average, home values have increased 5% in the last year alone. And there has been strong growth in home values for the last five years.
- Health care is now 10% of our workforce. Our major hospitals ... private and public ... have invested over \$1.4 billion in our community in recent years ... and they represent an enormous part of our economic growth.
 - At UK, a lot of that growth took place under the leadership of **Dr. Michael Karpf**; at Baptist Health, Chief Operating Officer **Karen Hill**. Thanks to both of you for being here today.
 - Lexington's health care industry is nationally recognized for excellence.

- Growth is also the story on the main campus at the University of Kentucky ... **Dr. Capilouto** has reinvented UK with a \$1.6 billion investment in new buildings across campus.
 - Those new buildings hold a student body that has grown by 10%.
 - What's *even more* transformative is what has been going on *inside* those buildings ...
 - Young men and women are engaged in self-discovery, experiential learning and personal achievement.
 - Our knowledge base is expanding through their research and scholarship.
 - Tomorrow's leaders are being formed; their values shaped.

The University is our community's largest employer, but it brings our city much more than jobs and economic vitality ... it brings dynamic, creative, energetic, spirited people who define our city and its potential.

Like UK, we are building for the future in Lexington. And sometimes that means rebuilding.

- Agriculture has always been essential to our economy. That's why we were so saddened last year when a fire destroyed **Blue Grass Stockyards**.
- Altogether, at its seven locations in Kentucky and through on-line sales, Blue Grass Stockyards acts as sales agent for about \$600 million worth of cattle each year. It's like Keeneland for the cattle industry, which is why it's so important for our economy in Lexington, and throughout the Central Kentucky region.

- And that's also why we were encouraged when **Jim Akers** and the Stockyards board decided to rebuild in Lexington.
- We worked with Jim and last September broke ground on the new facility, which is now under construction. It should be up and running this fall. **[SLIDE]**
- **Jim Akers**, thank you so much for your leadership.

Manufacturing is another key area for us ... 11% of our economy. That's why I want to welcome **General Steve Collins** today. He's the executive director of **Bluegrass Station**, home to 22 companies today and 2,500 jobs.

- Since 2008, its economic impact has grown by \$100 million and now totals about \$258 million.
- General, thank you for your service to our country and we are proud to have you and the men and women of Bluegrass Station working in Lexington and for America.

Because of technology, manufacturing, like so many industries, is changing almost by the hour.

- That's why it's great to work with partners like **Drura Parrish**. Drura is here to represent our city's growing tech sector.
- Drura is CEO and founder of **MakeTime**, one of 15 companies that has taken advantage of our **Jobs Fund** program, a unique local incentive program designed to make Lexington more attractive to high-wage industries.
- Those 15 companies received funds to hire 240 people. Their total salaries will add up to \$11.9 million.

Construction is underway throughout the city. I've spent most of my life in construction, and I know that when people see buildings going up or roads going through, they see progress ... *like the next phase of Newtown Pike extension ... Oliver Lewis Way ... it's set to open in the fall.*

- **The Scott Street connector**, the final phase of the Newtown extension, currently is not funded. As the new administration in Washington considers funding for infrastructure, Kentucky is in a unique position to tap into these funds with Senator **Mitch McConnell** as Majority Leader, and **Elaine Chao** as **President Trump's** Transportation Secretary. We will be working to attract federal support for this and other projects.
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Private investment is also driving construction. **The Summit**, at the corner of Nicholasville Road and Man-O-War, is a \$150 million mixed use shopping and residential investment set to open this spring

- Construction alone has produced 1,200 jobs, and when it opens, the Summit will initially create 225 full-time equivalent jobs, with more to come.
- The Summit is also our first successful retail-based TIF project. Now, as many of you know, TIF stands for “Tax Increment Financing.” It’s a program that allows tax revenue generated by a development that would normally go directly to the state, to be captured at the local level.
 - Those funds will be used for much needed infrastructure improvements, including sewers and the road improvements needed to **ease traffic concerns**.

I want to thank **Patrick Moyers** from **Summit Development Group** for being with us today.

At City Hall, I’ve learned that we must take care of *our* business, if we want to help you with yours.

- That’s why one of the principles I brought with me from the business world was “continuous improvement.”
 - As many of you know, it’s part of the culture at Toyota, and many of the world’s most successful companies.
 - At City Hall, we start every day with a simple question: How can we improve today what we did yesterday?
 - One of my first goals as Mayor was to dramatically improve the city’s finances. We started in 2011 with an almost \$20 million deficit. We closed that gap, turned things around, and I’m proud to say we’ve had surpluses ever since ... for five budgets in a row.
 - Since 2011, we’ve also more than doubled our Rainy Day Fund. It now stands at \$30.6 million.
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Financial strength is one reason Lexington has been ranked **the 6th best managed city in the country**.

- Now ... being best managed means recognizing realities. We know resources are limited. And opportunities are many. Priorities have to be set and I’m confident together we can manage it, and continue making progress.
- In Lexington, we know how to live within our means and meet essential needs, while making critical investments in our people and in quality of life.

That includes investments in projects like the **Historic Courthouse**, **SLIDE** which is a public/private partnership led by our Chief Administrative Officer **Sally Hamilton**.

- We are stripping away 116 years of damage from Mother Nature and from earlier renovations some have described as vicious.
 - And we got to it just in time ... the steel structure supporting the dome was dangerously corroded.
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Now, our **Senior Center** **[SLIDE]**

- The new center opened last September. From September 15th through the end of the year, nearly 1,300 seniors came to classes, ate lunch, enjoyed a card game or got some exercise at the new facility.
 - That's more than double the number of guests for the same period in 2015 at the old center. **Now that is progress.** And a great return on our investment.
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We are also still moving forward with our **gigabit internet project**.

- Every city in the country is trying to figure out how to build a fiber-optic network that closes the digital divide – and what I call the small-business divide.
 - But we are at the forefront of this effort nationally, and we are working with a team of experts to bring superfast internet service at a low cost to Lexington.
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We are working to meet all our city's needs, from high tech, to the most basic of traditional city services. It's challenging, but it's essential.

- We are making changes to make government work better for citizens, including:
 - A **new revenue system** that meets the needs of business;
 - An on-line process that allows developers to submit documents electronically and citizens to access the documents. Soon it will allow electronic payments.
 - A new **Main Street walk-up window** to make it easier to pay bills;
 - And a **redesigned website** so citizens can find what they need at city hall.
- Now, let me shift and update you on our consent decree projects that are fixing our **sewers**. We are moving full speed ahead on the consent decree to overhaul our sanitary sewers and clean up our streams.
 - We have completed 18 construction projects, and started work on 38 more.

- And the best news is through value engineering, the \$600 million project is currently running **\$78 million *under original estimates.***

We are running a tight ship in City Hall. We save money where we can, which allows us to invest where we need to.

- This approach has helped us build the first new fire station in 11 years. **[SLIDE]** It opens in April. It replaces the aging Station 2, one of the busiest in this growing part of town.
- We've also purchased property for an additional fire house in Masterson Station.
- And this spring the fire department will open a new Training Tower, where they learn how to fight fires in high rise buildings.
- Our new Fire Chief, **Kristin Chilton**, has also stepped up outreach to citizens, improving safety through CPR classes, installing smoke detectors and teaching proper installation of car seats. Over 4,000 people attended this year's Fire Safety Festival designed to educate children.

We are always looking for ways to improve quality of life. That's why it's essential that we keep our parks first-class.

- Ninety percent of Lexington households visited a park last year. And we are making parks improvements all over town.
 - That includes making **playgrounds accessible** **[SLIDE]** at Jacobson, Castlewood, Woodland, Gainesway and Mary Todd so ***all*** children can enjoy them.
- **Spray grounds** will open this summer at Masterson Station, and Jacobson. Douglass and Castlewood will follow next year.
- We've renovated **Bell House**, installed **Wellington Bridge** and added a half basketball court in **Veterans Park**.
- And we pulled out all the stops to celebrate the 100th anniversary of **Douglass Park**. **[SLIDE]** Thanks to the Douglass Park Centennial Commission for all its work.

This summer we will be breaking ground on **Town Branch Commons**.

- This 3.2-mile park will wind itself through downtown, following the path of Town Branch Creek, our city's water source when Lexington was settled in 1775.
- Here's a view of Town Branch along Midland, where construction will begin this summer. **[SLIDE]**

- Now Town Branch is another public-private partnership ... and thanks to **Ann Bakhaus**, who is here today and is our leading partner from the private sector. And we've brought in more than \$20 million in federal and state grants to help fund the project.
- Town Branch Commons will connect our **two largest trails ... Legacy and Town Branch ...** and boost economic development. Attractive, quality of life features like this help us recruit and hold talent.

Yes, for our city to thrive long-term, we must attract and keep talented people. That's as true for cities as it is for businesses.

- And today's workers want more than just a job.
 - They want a great quality of life, which means we need great parks ... and we have them.
 - They want a robust arts scene, and we have it ... in fact it's supersized, given our population.
 - They want a wide range of entertainment and dining opportunities ... restaurants that serve food grown and prepared right here in central Kentucky. We have them, too.

I want to recognize **Ashton Potter Wright**. Ashton is our Local Food Coordinator. She promotes local restaurants that serve locally grown produce, and helps make healthy food available to low income families.

- **This is a regional effort ...** Ashton is working with 66 farms in 25 counties to help them find new markets for their produce.

We are looking forward to more visitors as Lexington opens a new convention center.

- This is one of the largest public investments since Rupp Arena was built in the 1970s. The state has helped us with \$60 million to get started.
- The new convention center will stimulate even more development and produce even more jobs to keep our momentum going.

Also key to our momentum is **job training**. And this year we have taken it to a new level.

We have recruited a Workforce Development Manager, **Elodie Dickinson, who is here today.**

- **Elodie** will work with employers and job seekers. The goal is to make sure Lexington has the quality workforce we need for the future, and citizens can find the good jobs they want and need.

An essential partner in Elodie's work to promote job training is **Bluegrass Community and Technical College**, and we are happy to welcome BCTC President **Augusta Julian**.

BCTC has over 6,000 students at three campuses.

- On the Newtown Campus, the city is a proud partner in BCTC's new **Science Education Center**, that's now under construction. It will support STEM careers: science, technology, engineering and math, the kinds of degrees that are in demand today and in the years ahead.

Workforce training also has partners in the private sector.

- Our Home Builders, represented today by **Todd Johnson** of the Home Builders Association of Lexington, are actively involved in job training for the construction trades. 65 students have participated in their Home Builder Institute

Job training is part of city government's mission to help all of our citizens succeed.

- Part of being a great American city means that the American dream is alive and thriving and within reach for every man, woman, boy and girl in every neighborhood in Lexington.
 - Whether it's a professional who wants to start a business; a new graduate from UK, Transy or BCTC going on his first job interview; or a teenager growing up in a single-parent household, where money's tight and no one in the family has even been to college.

Now ... keeping our city safe.

- I am deeply grateful for the hard work, dedication and professionalism of **Chief Mark Barnard** and the 600 officers he commands in the Lexington Police Department.
- We have added 50 officers since 2011 and today, we have the largest, best trained, and best equipped police force, now including body cameras, in our city's history.

Chief Barnard has created task forces on violent crime, expanded community policing and is working with other law enforcement agencies to address incidents of violence.

- We're reminded every time a tragic and regrettable event occurs that Lexington is not immune. We know Lexington's homicide rate does not reach that of other cities, but even one homicide is too many.
- We are examining the need for additional investment as we put together our next budget.
- But addressing these concerns calls for something more than a police response. As a community, we must respond, especially on behalf of our young people.

That's what I saw happening earlier this month as we celebrated the life of Dr. Martin Luther King. Thousands of people came downtown -- I think it's clear our community is engaged. We have all been inspired by **Anita Franklin**, who lost her son, **Antonio**, to stray gunfire in Duncan Park in 2014. Anita has inspired many with the **Peace Walks** she has organized to make the park and surrounding neighborhoods safer.

People want to help, *and as Anita has demonstrated, they can.*

At the Martin Luther King commemorative program, we were all inspired by the message of **Rev. Dr. Otis Moss**, minister at historic Trinity United Church of Christ in Chicago.

He quoted novelist **James Baldwin** to remind us, **[SLIDE]** "Not everything that is faced can be changed. But nothing can be changed until it is faced."

- So, yes, we are facing the fact that too many of our young people are growing up with too little hope, too little family support and too little faith in their own futures. But there is too much at stake for us to let that happen.

Today we are bringing the principle of continuous improvement to the work of building and strengthening our full community.

- That's why I want to thank **Craig Turner** and his business partner, **Garyen [GARE-en] Denning**, who are creating a foundation to support our police. It will provide funds for equipment, community involvement and outreach, and an Officer Hardship Assistance Program
- In ongoing courageous conversations led by **Dr. C.B. Akins** from First Baptist Church Bracktown, Urban League President **P.G. Peoples**, **Commerce Lexington** and other leaders across our community, we are digging deeply into the root causes behind gun and drug violence, united in our determination to work together to find improvements.
- One improvement all of us can make is simple: **speak out.**
 - Individual citizens, young people, adults ... **if you see something, say something.** It can save a life.
 - We can all tell the police, or call or text Crimestoppers ... young people, tell an adult, like a teacher or someone in your church.

At City Hall, we are continuing to **expand youth programs.**

- Partners for Youth has just launched a mentoring program called "**City Mentors.**" We are just getting started and already have 25 city employees signed up.
 - We are hoping other businesses will join us in this effort. We'll provide the training tools for their employees to be mentors.

There are groups in Lexington that are already involved in mentoring programs, like **Kentucky Youth Leadership**.

- I want you to meet three 5th graders from **Booker T. Washington Elementary**. They've been working with mentors on personal leadership and essential skills.
- Now, I believe their classmates are watching this event right now back at school. Hey, guys!
[WAVE AT CAMERA.]
 - Everyone, please welcome **Saria [Suh-RYE-uh] Purnell, Kenneth Hudson and Leslie Ponciano**.
- I got to meet these guys earlier. They wrote me a letter on behalf of their classmates about how the city and schools can work together to improve Lexington.
- And what were their ideas?
 - A mentoring program; community service for students; and a student voice at city meetings to give us ideas how city hall can help the schools.
 - You know, I always remember my father saying, God gave us two ears and one mouth for a reason ... so we would listen twice as much as we talk ... in this case, listen to our young people.
 - These are terrific ideas, thank you all so much.

Let's give them a hand *[applause]*

I encourage all of you to consider signing up to be someone's mentor. You don't need to be perfect. You just have to be there for a young person. The time investment is modest. The emotional and community benefits are enormous.

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So, to sum it up, the state of our city: Lexington is a city on the move.

Our future is promising. We have achievements to celebrate, momentum to build on and work to do. Of course there are challenges. There always are.

But I want to say I am honored to serve as your mayor and to work with all of you and with the hundreds of thousands of committed citizens throughout our city.

Together, let's keep moving forward and building a great American city right here in Lexington.

Thank you!

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