



Mayor of Providence

Angel Taveras

## **Mayor Angel Taveras** 2013 State of the City Address

**Providence Is Recovering**

**Tuesday, January 29, 2013**  
(as prepared for delivery)

Governor, Mr. President, honorable members of the Providence City Council, distinguished guests, and my fellow residents of our great Capital City –

One year ago I stood before you in this Chamber with an urgent message for our City and the entire State of Rhode Island. Providence was in peril. Despite many difficult decisions and painful sacrifices made to pull Providence back from the brink, we were still \$22 million short of closing a \$110 million structural deficit.

Crucial steps necessary to navigate our City safely through our Category 5 fiscal hurricane had not yet come to pass. We still needed to reform our unsustainable pensions. And we needed Providence's large, tax-exempt institutions to contribute more.

As I stood before you on February 13, 2012, Providence was running out of cash, and running out of time. In the months that followed, there were some who said Providence could not avoid filing for bankruptcy.

### **BACK FROM THE BRINK**

Today it is my privilege to deliver a much more hopeful report on the State of our City: Providence is recovering.

Through collaborative efforts and shared sacrifice, we have all but eliminated our City's \$110 million structural deficit, and we expect to end this year with a balanced budget. Working together, we have accomplished what few believed possible.

We were determined to address the root causes of Providence's fiscal emergency and prepared to act unilaterally if necessary. And we knew our City would never achieve a lasting recovery without addressing our unsustainable and spiraling pension costs.

In April, following months of actuarial analysis and public testimony, this City Council unanimously approved a pension reform ordinance that put Providence's pension system on a sustainable path.

We recognized that passing the ordinance would likely lead to a high-stakes lawsuit with no real winners – because a decision in favor of the status quo would push our City over the brink. However, faced with the challenge of negotiating pension changes with more than 2,000 retirees who were not represented by a single entity, we saw no alternative.

Fortunately, Superior Court Judge Sarah Taft-Carter ordered all parties into mediation, and an unlikely path to pension reform presented itself. Negotiations continued with our unions and our retirees, as we all committed to addressing Providence's challenges collaboratively and in a way that pulls us together instead of tearing us apart.

Last month, Providence's police officers – who serve and protect our City every single day and have not had a raise in six years – joined with Providence's firefighters and retirees in agreeing to a landmark reform of our City's pension system.

The agreement caps pensions, eliminates 5 and 6% compounded COLAs that were strangling our system, suspends all other cost of living raises and moves retirees over 65 into Medicare. It saves our pension system from eventual, inevitable insolvency, and reduces Providence's unfunded liability by an estimated \$200 million.

We owe deep thanks to our City workers from Laborers Local 1033, who were the first to agree to contract concessions to help our City, and then stepped up again to negotiate on pension reform. Thank you to Donald Iannazzi, Ron Coia, Vicki Virgilio and Local 1033.

Thank you to Providence's firefighters and to Paul Doughty, Phil Fiore and Local 799. Thank you to the Providence Police, and to Taft Manzotti, Clarence Gough and FOP Lodge 3. Thank you to Providence's teachers and to Steve Smith and the Providence Teachers Union.

We extend a very special thank you to our retirees, who served our City honorably and have been called upon to accept pension changes in their golden years to help save our City. And let us not forget Providence's homeowners and business owners for the sacrifices they have made.

I say it again. Providence is recovering.

Following our dire warnings a year ago that we would fall into the dark hole of insolvency without help from every stakeholder in our City, all of our major tax-exempt institutions joined us in pulling Providence back from the brink.

In a demonstration of leadership for which I will be forever grateful, Johnson & Wales University was the first to heed our call – committing to at least triple their contribution to Providence.

Brown University, a world-renowned institution and an engine of our City's economy, stepped forward with a commitment of \$31.5 million over 11 years.

The Rhode Island School of Design, recently named the best design school in the world, committed to more than double its annual contribution to our City.

And Providence College agreed to contribute an additional \$3.84 million in the coming decade.

For the first time in Providence's history, our three major health care institutions – Lifespan, Care New England and CharterCARE – agreed to contribute a combined \$1.15 million a year in addition to the millions of dollars in uncompensated care they already provide.

Collectively, Providence's major tax-exempt institutions have committed more than \$48 million in new contributions to our City over the next 11 years.

Thank you to Johnson & Wales, Brown, RISD, and Providence College. Thank you to Lifespan, Care New England and CharterCARE. On behalf of the residents of Providence and all of Rhode Island, thank you.

The General Assembly was critical in helping the City reach new agreements with our tax-exempt institutions. We owe a debt of gratitude to our legislative leaders, without whom Providence's recovery would not have been possible. Thank you to House Speaker Gordon Fox, Senate President Teresa Paiva Weed, Majority Leader Dominick Ruggerio, Majority Whip Maryellen Goodwin, Representative John Carnevale and the entire Providence delegation, along with legislators from across Rhode Island for believing in Providence and helping our Capital City.

And thank you, Governor Chafee, for advocating for cities and towns and for your commitment to Providence.

As a City and State we have demonstrated that even when the stakes are at their highest and the path forward is beset with obstacles, reasonable people can get things done when they are committed to working together. There's nothing we cannot accomplish when we are united.

## **ECONOMIC DEVELOPMENT**

Today I ask you to keep standing with me as we continue moving Providence forward, from peril to recovery and boldly into a future of new opportunities and the promise of greater prosperity.

We have survived the worst of our fiscal storm, but we must remain vigilant. Just weeks ago, Moody's Investor Service said several years of year-end deficits have left our City "with little room for error in the event of future operating pressures."

Providence's reserve funds have been depleted, and we must manage our City's finances responsibly and transparently, and work to replenish our reserves and restore our credit ratings in the coming months and years.

At the same time, we must act with all urgency to build our City's economy, improve public education and public safety, and make our City healthier and more sustainable. We must address the devastating impacts of our nation's foreclosure crisis and the worst economic recession since the Great Depression.

As with the national recovery, Providence's recovery is slow. But we are headed in the right direction and there are clear signs of hope on the horizon. Though Providence's unemployment rate is still unacceptably high, today we have the most Providence residents working since June of 2008. Four years after the burst of the housing bubble, foreclosure filings are finally going down in our City.

Next month, we will release a comprehensive plan to accelerate Providence's positive momentum. I will have much more to say about economic development at that time, but there are a few strategies I will highlight here.

We must have a focused and coordinated approach to building on our assets. Our City is home to first-class research hospitals and universities and a developing Knowledge District. We have one of the largest industrial deep-water ports in the Northeast. We have one of most vibrant artistic communities in America. Small businesses act as anchors in every neighborhood of our City. Our young and diverse workforce is eager for training and opportunity.

We are already seeing signs of economic recovery. Projects representing tens of millions of dollars are underway in the heart of our Capital City, including the revival of the historic Arcade – America's first indoor mall – into a mixed-use development of retail shops and micro-lofts; a project transforming the former Providence Gas buildings into residences; Johnson & Wales University's construction of a new parking garage and physician assistant building; and the creation of six new retail shops on the ground floor of the Biltmore Garage on Washington Street.

Last Wednesday, I attended events to celebrate the opening of Andy, Jr.'s, an Italian restaurant in the heart of Providence's historic Federal Hill; Ellie's, a Parisian-style bakery that recently opened its doors at the Biltmore Garage; Ameriprise Financial's new offices downtown; Citizens Bank's grant to help revitalize our City's Olneyville neighborhood; and a topping-off ceremony for Brown University's new, state-of-the-art environmental research and teaching facility.

Providence is recovering.

## **EDUCATION**

Plans to grow our economy can never be divorced from efforts to improve our schools, and we are working to provide every child in Providence with a first-class education.

There is much work to be done. Only 46 percent of Providence's fourth graders were reading on grade level last year. We have set an ambitious goal to have 70 percent of our students reading on grade level at the end of third grade in 2015. The ability to read on grade level is one of the greatest predictors of a student's future success. Up to third grade, children are learning to read. After third grade, they are reading to learn.

This fall, we launched Providence Reads – an initiative in partnership with more than a dozen businesses and organizations to increase grade-level reading, promote school readiness, improve school attendance and support summer learning in Providence.

GTECH and Walgreens are the lead sponsors of Providence Reads. Today, 160 volunteers are serving as mentors and helping students learn to read in Providence's schools. GTECH Senior Vice President Bob Vincent, Walgreens' Jane Foley and Todd Halliwell and other representatives from GTECH and Walgreens are here with us this evening. I ask you to please stand for a moment so we can thank you for your commitment to our City and our children.

Tonight, I invite all of you to join us in our effort to ensure that every child in Providence reads proficiently by the end of third grade. Any of you who are interested in becoming a Providence Reads volunteer should please contact the Mayor's Office.

It takes an entire community to transform public education. We are working closely with the Providence Children and Youth Cabinet, a diverse team of 130 community leaders helping to guide the future of education in our City. In October, the Children and Youth Cabinet released its 'Educate Providence: Action for Change' report, which provides baseline data and 11 indicators to measure our progress in educating children from cradle to career.

Our innovative idea to set low-income children on a path toward lifelong achievement by increasing the number of words they hear by their fourth birthday has been selected from more than 300 submissions across the country as a finalist in Bloomberg Philanthropies' Mayors Challenge. Bloomberg Philanthropies has also awarded our City a grant to launch Leyendo, an initiative to teach reading to students whose first language is not English.

Our public education efforts were also recognized last year with numerous awards and recognitions: the White House Office of Faith Based Initiatives, the National Civic League, America's Promise Alliance, and the Annie E. Casey Foundation.

We are working to transform Providence into the best urban school district in America.

## **PUBLIC SAFETY**

Public safety is a top priority for me as Mayor. One crime is too much crime, and the job of keeping our City safe never ends. Along with so many other cities across our nation, Providence has experienced far too much gun violence.

Most other categories of crime in our City went down last year or remain among the lowest they've been in many years. The Providence metropolitan region is ranked the No. 6 most peaceful area in the country by the Institute for Economics and Peace, using an index that measures homicides, violent crime, incarceration, the number of police and the availability of small arms.

We must credit the Providence Police, who put their lives at risk every day and who serve and protect our City with dedication and professionalism. To help our brave men and women on the frontlines, this year we will use federal funds to conduct a Police Academy and hire a diverse class of up to 18 more officers. We are also conducting a Firefighter Academy and will hire up to 50 new firefighters, which will save the City up to \$1 million annually by bringing down overtime costs.

We are working to improve public safety in direct partnership with our City's residents and community leaders. Since last summer, we have been working with faith leaders to coordinate efforts in ex-offender re-entry programs and explore the creation of a Boston-style Ten Point Coalition in Providence.

We have more than tripled the number of Neighborhood Crime Watch groups in Providence to 15. And I am assisting a fundraising effort to support the Nonviolence Institute's work to prevent violence and bring peace to our streets.

The availability of summer jobs and recreational activities plays an important role in our public safety efforts. Last summer, the Providence Department of Parks and Recreation provided jobs to more than 700 teens in partnership with Workforce Solution and the Rhode Island Department of Labor and Training, and increased its sports and recreation programs across the City. We also worked with Project Night Vision and PASA to help them expand their summer programs.

Finally, I am committed to passing reasonable, common-sense gun control legislation this year that puts Rhode Island in line with our neighboring Massachusetts and Connecticut. I have reached out to every Mayor and municipal leader in Rhode Island to work together on this issue. As the leaders of our state's cities and towns, we will be most effective if we coordinate our local efforts and speak with one voice at the State House and in Washington, D.C.

## **CITY SERVICES**

One of the most important things the City of Providence can do to help grow our local economy is to deliver the core functions of City government with excellence. Often, City employees – our neighbors,

friends and family members – go above and beyond to render extraordinary service. I recently learned of one example that I would like to share with you.

On the Friday before Christmas, Joe Elliott and Bill Newell – inspectors in the Office of Inspections and Standards – learned that an elderly woman in our City was living without heat. Inspecting the property, they found out that the problem wasn't just a lack of oil or an unpaid gas bill, but that the woman's home required significant mechanical work that would cost thousands of dollars.

Mr. Elliott and Mr. Newell thought that without some kind of intervention, the City might need to condemn this woman's house and relocate her in order to prevent her from suffering. So they worked around the clock Friday, and kept working when they were off duty on Saturday and Sunday to make sure this resident's heating problem was fixed.

They coordinated with National Grid and with contractors who volunteered their time and expertise to have the heating problem fixed at no charge. They weren't being paid, and they weren't even asked to do it. They did it because it was the right thing to do for this woman and for our City.

Mr. Elliott and Mr. Newell are here with us tonight, and I'd like to ask them to stand for a moment so we can thank them for their service to our City.

These two gentlemen are not the exception. Our City employees do great work every day, and they are doing more with less. Today, the number of people who work for the City is at its lowest level in more than 10 years.

Good city services matter – along with running an open, accountable and transparent government. A couple of weeks ago, the Open Providence Commission – a panel of city employees, Providence residents and good-government experts chaired by Common Cause Rhode Island Executive Director John Marion – released their report on how our City government can better serve its residents. My administration will work with the City Council to implement their recommendations in the coming months to continue moving Providence forward.

More than a year ago, when we stepped in to save ProCAP from closing its doors due to flagrant mismanagement, I described the agency as an important part of Providence's human services safety net that deserved to be put on a path to recovery. Today, I'm very gratified that ProCAP has accomplished its reorganization and is once again providing vital services to our community under new management. Thank you, President Solomon, for your commitment to save ProCAP.

## **HOUSING AND INFRASTRUCTURE**

One needs only to drive a few blocks to see the pressing need to address the continuing impacts of the foreclosure crisis in our neighborhoods. Together with the City Council, we have worked to implement new measures to protect our neighborhoods from the blight of abandoned and neglected properties.

Using these new tools, our Nuisance Task Force is successfully dealing with properties responsible for creating danger and fear on residential streets that children and hardworking families call home.

There is much work to be done to improve Providence's roads, and that is why we put a \$40 million roads bond on the ballot last year. The roads bond was overwhelmingly approved by voters in November, with 89.5% voting yes. That is a mandate, and we are moving forward to begin repaving more 62 miles of roadway in the coming months and years.

We will continue to remake our infrastructure for the 21st century with Phase III of the Downtown Providence Circulator Project, which will install decorative street lights and restore two-way travel to more streets, improving travel in the heart of our City.

And we worked in 2012 with Governor Chafee and our Congressional delegation to bring cargo cranes to the Port of Providence. That infrastructure investment will be a vital piece of the puzzle as we work to turn Providence's working waterfront into a hub of our state's economy.

Providence is recovering.

#### **HEALTHY, SUSTAINABLE CITY**

Together with our environmental community, we are taking bold steps to transform Providence into one of the greenest cities in the nation. The "Big Green Can" recycling program that we launched in the fall has already dramatically increased Providence's recycling rate from 15% to 25% – a 67% improvement. As a result, we expect to save \$250,000 this year.

This spring, our Lots of Hope initiative will begin converting vacant lots into urban gardens maintained by residents. We are also moving forward to implement a citywide biking plan and a pilot plan for composting across our City.

And, mark your calendars now, we are working to coordinate what we hope will be the largest volunteer, citywide cleanup that Providence has ever mobilized on Saturday, April 20. Please contact our Office of Sustainability if you would like to participate in our citizens' effort to give Providence a spring cleaning worthy of Earth Day.

Last month, we won an important court victory against Big Tobacco when a judge ruled against the industry's attempt to block Providence's new ordinances that ban the sale of flavored tobacco products and store discounts aimed at children.

Thank you, Council President Solomon, Majority Leader Yurdin and members of this honorable City Council, for championing these ordinances that protect our children from the harmful effects of tobacco and the deceitful tactics of the tobacco industry. Thank you to City Solicitor Jeff Padwa, for your team's strong legal defense of these important measures. We hope our success inspires other communities to follow our lead and take a stand against Big Tobacco.



Our Office of Healthy Communities is not just protecting children and families from the harmful effects of tobacco. It is also promoting farmers markets across our City and pursuing policy initiatives to make healthy, affordable food available in every neighborhood of Providence. Healthy students make good students, and healthy residents make for a stronger City.

## **ARTS AND CULTURE**

We are successfully attracting large conventions and events to Providence such as X-Factor, Netroots Nation, Alpha Kappa Alpha, and the Dunkin' Donuts AHL All-Star Classic that brought thousands of visitors into downtown Providence this weekend. Last summer, Providence's hotel occupancy rate reached its highest level since 2004.

At the same time, the economic activity generated by our thriving arts and culture community is having a big impact on our economy. WaterFire has established Providence as a global city, and in September I was excited to join with WaterFire's creator Barnaby Evans in bringing our signature event to Rome for the first large-scale lighting in Europe.

In the coming year, we will work with our partners at the Providence Warwick Convention & Visitors Bureau to promote our wonderful museums, restaurants, theaters and zoo. We will do a better job marketing our signature brands like WaterFire and the excellent First Works Festival that transformed Kennedy Plaza in September into an artistic and musical party the likes of which we have not experienced before in our City.

Thank you Senator Whitehouse and the rest of our Congressional delegation for securing the National Endowment for the Arts 'Our Town' grant that funded the FirstWorks festival. This grant is also supporting a planning effort to reconfigure Greater Kennedy Plaza – it is an exciting project that you will hear more about in the coming months.

Just last week, Rocco Landesman – who recently retired as the NEA's chairman – wrote that “some of the most rewarding places I visited during my term were places that are very engaged in the arts, that have a great arts infrastructure and commitment to the arts. Providence, Rhode Island, would probably be at the top of the list.”

Our city has so much to offer and it is the reason that creative, entrepreneurial and visionary people see the promise in Providence.

## **PROVIDENCE'S RECOVERY**

Almost two years ago, in my May 2011 budget address, I expressed my belief that together we would make history, saying: “As we move forward, let it be said of us that we came together and rose to the occasion. Let it be said that we set aside politics for the greater good. Let it be written that while others went into receivership, we solved our problems. Let it be written that while some looked to

Providence's fiscal crisis and saw nothing but darkness and foreboding, we seized this opportunity to show that hard work and shared sacrifice brought about Providence's finest hour."

Governor, Mr. President, honorable members of the City Council, distinguished guests, and my fellow residents of our great Capital City – we *have* made history. And the nation is taking notice.

The pension protection ordinance that this Council approved has been cited by the Wall Street Journal. Moody's called our pension reform agreement, "a precedent other struggling Rhode Island cities and towns can follow." And Governing magazine recently wrote that Providence "has become a leader among the many state and local governments that have acted recently to make their retirement systems more sustainable."

Make no mistake; we expect to face challenges in the months ahead. But every day, I am reminded that Providence is truly the beating heart of our state.

Despite the crisis that has battered our Capital City these past two years, our colleges and universities continue to attract talented and entrepreneurial people from every corner of the world. The caliber of our restaurants, theaters and hotels has earned Providence a national reputation as the Creative Capital.

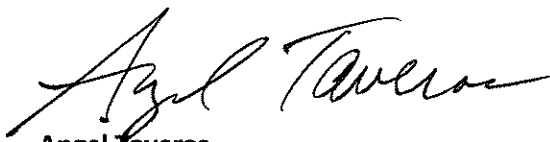
The state of our City is getting stronger. Providence is recovering.

Tonight, I ask you to envision a Providence in which jobs are plentiful on a path of grassy land leading through the heart of our City where a highway once stood; a City where crime is low, our schools teach with excellence and our diverse neighborhoods share an exceptionally high quality of life; a City known across our nation for its strong infrastructure and efficient public transit, its network of urban farms and its commitment to sustainable and healthy living.

We have laid the foundation to make this a reality. The promise of a new era of vitality and prosperity in our Capital City is within our reach.

On behalf of everyone who has worked so hard and sacrificed so much for the City we love, it is my pleasure to extend a heartfelt invitation to our neighbors throughout Rhode Island and across New England and our nation –

We invite you to be part of Providence's comeback story.

A handwritten signature in black ink, appearing to read "Angel Taveras". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

**Angel Taveras**  
**Mayor of Providence**