

2010 STATE OF THE CITY ADDRESS

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LADIES AND GENTLEMEN:

It is my distinct privilege and honor to deliver the 2010 *State of the City* address.

First, I want to acknowledge and congratulate Council President John Gonder and Vice-President Pat McLaughlin for being elected to and accepting leadership roles of the New Albany Common Council. My staff and I look forward to working with you and the Common Council to face the challenges that lie ahead and to advance an agenda for positive change.

CALENDAR YEAR 2009: AN ECHO OF 2008?

At this time last year, I noted that 2008 was a year of stormy weather—natural, fiscal and economic—at the local, state and national levels. Well, who among us thought that 2009 would be an encore?

New Albany and the region were slammed by a severe ice storm that once again tested city forces and our resolve to come together. Then came several flash flooding events

that were off the hydrological charts. The year ended with early snowfall, a pre-cursor to three successive winter snowfall events that would disrupt travel throughout the City and region in early 2010.

The severe weather events once again stressed the City's fiscal resources. In particular, the August flood event—statistically, a 100 year flood event—found no financial relief from the State of Indiana or the Federal Government, even though FEMA disaster/recovery relief was forthcoming south of the Ohio River in Louisville and the Commonwealth of Kentucky.

Fortunately, by the time these flooding events occurred, the City had already revamped its Street Department and brought in-house Storm Water Utility personnel through the cancellation of the EMC Storm Water contract in late 2008. The Street Department, Storm Water and Flood Control staffs worked diligently together to remove blockages and clean up debris left by the flood waters.

It was not until rather late in 2009 that the City's hopes for State and Federal fiscal relief were dashed when the last official appeal went unaided. The lack of an emergency declaration also impeded individual property owners from receiving direct financial assistance from FEMA.

But, late in 2009, the Common Council came to the table passing several ordinances that provided flooding relief for homeowners and additional resources for city-wide storm drainage improvements.

The fiscal impacts of Governor Mitch Daniel's property tax cap program also began to be felt in 2009. The City's latest projections indicate that the General Fund could suffer shortfalls as high as \$ 641,000 in 2010 and \$ 844,000 in 2011. This would be in addition to the \$ 1,550,000 that is already needed to fully fund the City's Police and Fire Department budgets.

Fortunately, the City has surplus revenues in its Economic Development Income Tax (EDIT) and "Rainy Day" funding to cover any General Fund budget shortfalls. The use of EDIT to shore up the City's Public Safety Budgets (Police and Fire/Ambulance) is a necessary but temporary measure to avoid layoffs and a reduction in level of service.

The ultimate solution is to expand the City's tax base through annexation. It is estimated that the City's General Fund and EDIT Fund revenues can be increased by as much as 40% if developments in unincorporated New Albany Township out to County Line Road are annexed into the City.

While the annexed territory will require additional services and related expenditures, it is very likely that annexation will create positive, net fiscal impacts due to the additional revenues and economies of scale. Full annexation will take several years to accomplish, however.

THE CASE TO ADJUST UTILITY RATES

Last year, I reported that the City's sanitation utility fee would need to be overhauled. Working with the Common Council, this fee was adjusted and incorporated an automatic Consumer Price Index (CPI).

It was necessary to adjust the sanitation fee to operate the utility in the black. Since as far back as 2003, the sanitation Utility has been running significant deficits that amount to at least \$ 2.8 million during that time. The most recent deficits in 2008 and 2009 were caused because the Sanitation fee was insufficient to cover the actual cost of the public-private agreement with Southern Indiana Waste Systems (SWIS), the City's waste hauler.

Also in 2009, at the urging of the New Albany Storm Water Board the Common Council adjusted the Storm Drainage Utility fee. This was done to create a revenue stream to fund several drainage projects throughout the City. The City is also applying for State grants to fund some of these drainage improvements. Beginning with the Oakwood Subdivision, the City Storm Water Utility will implement major drainage improvements at several locations throughout the City.

THOROUGHFARE IMPROVEMENTS

Despite the challenges facing local government, 2009 was a very good year for the advancement of several important infrastructure projects:

- **Spring Street Hill Road Reconstruction Project** was completed, with a Silver Hills Neighborhood ribbon-cutting ceremony in the spring.
- **Daisy Lane Phase II (from State Street to Green Valley Road) Reconstruction Project** was completed. Engineering was also completed for Phases III and IV.
- **The North and South Industrial Parks:** renovation of the drainage systems and roadway resurfacing was completed.
- **Street Milling/Re-pavement Program:** The Common Council made a down payment for the plan to restore the City's pavements. EDIT funds—\$2,000,000—were allocated for this purpose. Arterials and severely deteriorated local streets resurfaced during 2009 included:
 - E. Spring Street
 - Klerner Lane
 - Slate Run Road
 - Old Ford Road
 - Beharrel Avenue
 - (Brick) Silver Street
 - Indiana Avenue
 - McDonald Avenue
 - Hickory Vale
 - Green Valley Road
 - West Street
 - Scribner Drive

- East Fourth Street
- Pearl Street (Downtown)
- Market Street (Downtown)
- W. 1st/Hauss Square (Downtown)
- E. 8th Street
- Cherry Street Hill Road
- Improved visibility and long-lasting striping was included.
- New ADA-compliant ramps are slated for 2010.

Several major thoroughfare improvements are also planned for 2010:

- **Daisy Lane Phase III and IV.** This will complete the upgrade from State Street to Grant Line Road. A new bridge at Falling Run Creek, a roundabout (traffic circle) at Schell Lane and new signals at the Graybrook Lane and Grantline Road intersections are included. Right-of-way acquisition activities are currently underway. Construction will be let in the summer of 2010.
- **State Street will be resurfaced** from Green Valley Road to the Interstate 265 ramps. This project is being funded by the *American Recovery and Reinvestment Act of 2009* (ARRA). Engineering for this project was funded through TIF.
- **Downtown Traffic Signals** at seven locations will be upgraded, also with ARRA funding. The new signals will be traffic-actuated with wireless detectors and energy-efficient LED's. The intersections will also be retrofitted with improved pedestrian crossing

equipment. Engineering for these improvements was also funded with TIF.

- Hausfeldt Lane-CSX Railroad Crossing Improvements including a new crossing surface, new gates/flashers and a sidewalk crossing is scheduled for construction in Spring 2010, also via *American Recovery and Reinvestment Act of 2009* (ARRA), with project engineering provided by TIF.
- **Rainbow Drive Reconstruction** from Charlestown Road to Klerner Lane. Sidewalks, curb/gutter and a new bridge are planned. This project is being funded with TIF.
- **Charlestown Road Reconstruction** from the North Y to McDonald Lane. This project is being funded by a combination of TIF and Community Development Block Grant (CDBG) funding.
- **Engineering to design reconstruction plans for Mount Tabor Road and McDonald Lane**, both from Charlestown Road to Grant Line Road, is now underway. Preliminary Plans should be completed in 2011. 80% of project funding is provided by Federal Highway Funding. The 20% City match is being funded by TIF.

QUALITY OF LIFE PROJECTS:

As I took office for a third term as your Mayor, I also pledged that I would prioritize quality of life issues here in New Albany:

- **Restoration of the Riverfront Amphitheatre** was completed in 2009, at no cost to property taxpayers of New Albany, using Clark/Floyd Tourism Bureau funding and Horseshoe funds. The City resumed a schedule of weekend entertainment and cultural events at the Amphitheatre including new events and features like the *Kentuckiana Celtic Fest*.
- The **Riverfront Amphitheatre Committee** was created to raise funding for and implement “affordable” entertainment programming for the people of New Albany. The 1960s’ anthem “It’s a free concert!” is a very appropriate slogan for the marvelous venue that has caught regional attention.
- **The New Albany Bicentennial Commission** was created to work with citizens, businesses, local organizations and institutions to prepare for New Albany’s 2013 Bicentennial celebration.
- **Downtown Landscaping** project funded by the Horseshoe Foundation and the New Albany Urban Enterprise Association.

Additional “quality of life” projects being contemplated for 2010 include:

- **The Downtown Public Art Project** being sponsored by the Carnegie Center and the New Albany Urban Enterprise Association. This is the first Bicentennial event sanctioned by the New Albany Bicentennial Commission.
- **Construction Plans for the Ohio River Greenway Project** to Silver Creek are being completed by the U.S. Corp of Engineers. 50% Federal funding is in place to construct the project in 2010, subject to local financial matching requirements.
- The City will continue to work with the New Albany-Floyd County Park Board to design and fund a **new municipal water park**.
- **Design and Fund a Downtown Bicentennial Park** as a celebration of the City’s 200th Birthday.

ECONOMIC DEVELOPMENT PROJECTS:

The England Administration continues to work quietly behind the scenes with several groups and organizations to advance investment and job growth throughout the City:

- **Continued close working relationships with all economic development players** in New Albany— One Southern Indiana, Develop New Albany, Inc., New Albany Urban Enterprise Association and the new Purdue Technology Center.

- During 2009 the following investments/expansions representing over \$25,000,000 and 700 jobs were made or are currently underway in New Albany:
 - Specialty Earth Sciences, LLC (new)
 - PTG Silicones (expansion)
 - Bruce Fox, Inc. (expansion)
 - L&D Mail Masters, Inc. (expansion)
 - VT Industries (expansion)
 - New Albanian Brewing Company (expansion)
 - Kemper Foods International, LLC (new)
 - WindStream Technologies, Inc. (new)

- In addition in 2009, the following businesses and restaurants opened in Downtown:
 - Bank Street Brewery
 - River City Winery
 - Wick’s Pizza
 - Steinert’s Grill and Pub
 - Jackson’s Seafood
 - Toast on Market
 - Connor’s Place
 - Hobb Knob Coffee
 - Sweet Stuff

- **Grant Line West Industrial Park Infrastructure Project**—streets, drainage, sanitary sewers, power—to serve the park, will be let for construction during

2010. This project is being funded with TIF proceeds from the City's industrial parks, and other State and Federal sources.

COMMUNITY DEVELOPMENT:

- **The Redevelopment Commission continued making sidewalk and other related improvements** to make the streets of New Albany pedestrian friendly to and accessible by the aging baby-boomers.
- Also, the **Homeownership Strategy** to enhance homeownership opportunities in the City's central neighborhoods was completed in 2009. It will be tailored and applied to specific neighborhoods, like the S. Ellen Jones Neighborhood and Mid-town, in 2010.
- In late 2009 the City of New Albany was awarded \$6.7 million dollars in **Neighborhood Stabilization Program (NSP)** funding to address foreclosures and vacant properties in the **S. Ellen Jones Neighborhood**. This project will purchase and rehabilitate or reconstruct approximately fifty (50) vacant residential properties in that neighborhood. The renewed properties will be sold for homeownership purposes.
- In late 2009, the City was also awarded a \$165,000 grant from the U.S. Department of Energy ARRA.

This grant will be used to perform preliminary energy audits on City-owned buildings and facilities and to develop internal capacity to perform “state of the art” thermographic imaging energy audits for private residences and small businesses.

- In 2010 the New Albany Redevelopment Commission will develop a new five-year Consolidated Plan for the Community Development Block Grant (CDBG) Program. The City is awarded approximately \$750,000 in CDBG funding from the U.S. Department of Housing and Urban Development, annually. The CDBG program is the mainstay funding sources for community development and quality of life activities in New Albany’s central-city neighborhoods.

In conclusion, 2009 had a few disappointments due to acts of God and difficulties with the State and Federal governments. But these were more than offset by many significant triumphs that will make New Albany a much better place to call home.

For additional year-end information regarding several specific City departments and boards, please feel free to visit the City’s website at cityofnewalbany.com.