Hello, and welcome to the 2007 State of the City Address. On behalf of our City Commission and the 2,214 employees of the City of Gainesville, I want to thank you for joining us at this annual look at Gainesville's progress and the challenges that lie ahead.

But before we really start, it's important to say, "It's great to be a Florida Gator!" Congratulations to the Gator football and basketball teams for reaching the pinnacle of their sports in 2006. This is the first time in the history of intercollegiate athletics that the championship teams in both sports have been from the same institution. It's also noteworthy that both teams have been recognized for their sportsmanship, team spirit and maturity. The players, coaches, support staff and fans all deserve our praise for making us so proud. What a fun way to celebrate the 100th anniversary of University of Florida football, and the 100th anniversary of the University of Florida’s presence as the jewel in Gainesville's crown. In all kinds of weather we all stick together, but it's great to win! How 'bout them Gators!!!

OK, now back to our regularly scheduled program… In December, the City Commission reaffirmed and amended our strategic goals, those key initiatives that drive our budgetary and policy decisions. Within each of those eight areas, we'll review the milestones that were met in 2006, and some of the work that still lies ahead.

**INFRASTRUCTURE AND TRANSPORTATION**

Our first strategic goal focuses on maintaining and improving our city's infrastructure. Our roads, parks, buildings, utilities, power plants, water and wastewater facilities and other infrastructure must be well-designed, effectively maintained, functional and attractive, and must serve the needs of the community equitably. The cost of doing this is high, and only rising, but the cost of failing to do so is even higher.

This year we've made substantial progress in funding long-standing needs in traffic management and roadway reconstruction, park maintenance and expansion, power plant and other utility upgrades, and improvement in public safety facilities.

The project that my colleagues and I are perhaps most excited about is the traffic management system that will lead to a retiming of all the traffic lights in Gainesville and Alachua County, thereby improving the efficiency of traffic flow by 10 to 20%.
The system will be implemented in four phases and involves:

- Replacing all of the traffic signal controller equipment,
- Installing traffic monitoring cameras, emergency vehicle and transit priority preemption,
- Constructing a Traffic Management Center and
- Providing real time motorist information over the Internet.

Last year, we completed planning and provided funding for the improved traffic management system.

This year, you will begin to see work crews in significant activity as the initial implementation phase of the project ramps-up. Portions of the NW 13th Street, 34th Street, University Avenue and Waldo Road are already in place. The communications system to connect these corridors back to the Traffic Management Center is under development, and the radio system to provide the connection is going to be installed by midyear.

In addition to the $5 million dollars that's been committed by the City of Gainesville, the County has committed $2 million and the University of Florida is pledging $3.8 million. With the help of Representative Larry Cretul, Senator Steve Oelrich and Representative Chuck Chestnut we are hopeful the Florida DOT will match local funds through a new regional partnership that we're developing with Ocala and Marion County. Our staff is working to ensure that the new traffic management system, which will cost nearly $20 million dollars, will take advantage of cutting edge communications technology and will enhance our ability to respond to everyday needs, special events and emergencies.

Our Regional Transit System continues to grow. This year we carried over 8.6 million passengers, placing RTS among the 100 largest transit agencies in the United States. In comparison, ten years ago we carried about 1.5 million passengers, just 17% of our ridership today. Key to this success has been the addition of Sunday bus service and, most significantly, the use of the unlimited bus pass program for University of Florida students and employees of an increasing number of employers. This year RTS expects to complete the second phase of site work at its operations and administration facility, begin construction of a new downtown transfer center, and begin the design phase of the maintenance and operations facility expansion project to better serve their needs.

The City Commission and the MTPO also reaffirmed our commitment to the redesign of Main Street and are moving forward with roadway reconstruction projects underway for Depot Avenue, SW 2nd Avenue and a number of streets in the Duval neighborhood. We owe a special debt of gratitude to the Action Network and Representative Corrine Brown for providing the funding to do that work.
Although we are excited about the traffic management system improvements and the roadway projects underway, it would be a disservice to indicate that our transportation needs are being met. The MTPO's list of priority projects for the next 20 years totals nearly $400 million dollars within the Gainesville urbanized area. This is just for the most substantial work on our largest thoroughfares, excluding most city streets and smaller connector roads. The funding available from state and federal sources is just under $40 million. In other words, approximately 90% of our greatest needs remain unfunded.

With respect to our city streets, Gainesville undertook an evaluation process in 2003 and learned that while our roads are generally better maintained than comparable communities, we must invest more in their maintenance on an annual basis if we wish to keep from falling further behind. In addition, the age of our bus fleet exceeds ten years, and our transportation disadvantaged program, which serves citizens with disabilities, has been in a continuing state of crisis. It is wrong to think that we can meet these needs just by reprioritizing our budget and without additional funds. There is a great reason for strategically redeveloping older corridors and encouraging new growth to consider locating on Waldo Road, Sixth Street, 13th Street, Main Street and the like. Redevelopment uses existing infrastructure, which is far more fiscally prudent than the alternative.

Speaking of paying for critical but expensive facility improvements, Gainesville Regional Utilities is now preparing to retrofit our Deerhaven 2 coal-fired generating unit with an advanced air-quality control system, working under a Teaming Arrangement with Babcock Power Environmental, Inc. and CH2M HILL. The cost of this project is expected to exceed $120 million dollars. This new system will reduce the plant’s emissions well below regulatory requirements and will help to maintain clean air far into the future. Complying with all local, state and federal environmental requirements is a critical part of GRU’s business, and an important value of our utility. Construction is scheduled to begin this spring.

Also within our strategic objective related to infrastructure is our goal to develop a long-term energy strategy. I am very pleased to share that during the past year, GRU customers took advantage of our conservation rebate programs and exceeded our goals for some programs by as much as 55 percent. We encouraged their commitment to conservation by issuing over $112,000 in rebates. With even more new demand-side programs underway, our conservation efforts should reduce the community’s overall energy use by 13,652 megawatt hours next year, driven by $1.6 million in rebates.

But even with the growth of conservation initiatives, most of our elected officials and our professional staff believe that our growing community is projected to need additional sources of electric generation by 2012. With this in mind, we sent out a request for letters of interest from qualified firms to help us meet this need through cost-effective
and environmentally sensitive means. The Request for Information was responded to by a large variety of firms, including local and globally based entities, offering us a wide range of technologies and potential partnerships to consider. After exploring the options presented by these firms, the City Commission will engage in a public discussion and issue a request for proposals based on our findings.

Our Stormwater Management staff has been active in construction, design and outreach this year. The most substantial stormwater project underway is, of course, the Depot Park, located just south of downtown, on the corner of Main Street and Depot Avenue. The first phase of the stormwater facility at Depot Park was completed last year and the next project phase is underway. Having first obtained federal funding for this project in 1997, the City staff, in both GRU and general government, have made tremendous progress toward completing this complicated and multi-faceted undertaking. We owe a special debt of gratitude to the citizen volunteers who guide this project through the SPROUT Task Force, and the local consultants and contractors who've done much of the on-the-ground work. Although we're eager to get the park open as soon as possible, we should keep in mind the incredible size of the job and how many organizations must be involved. When the soil is finally remediated, the stormwater ponds are built, the historic Depot is restored and the trails and other recreational amenities are open, this park will be one of the best in our community.

Other ongoing stormwater projects include a new stormwater park in the Duval neighborhood and projects in the Sweetwater Branch/Alachua Sink basin for treatment of stormwater prior to discharge to Paynes Prairie. Work was completed in March on the Old Landfill Stabilization Project along Sweetwater Branch, which was a multi-million dollar remediation project seeking to correct a decades-old problem created by an abandoned dump. Again, this was an incredibly complicated undertaking, finally brought to closure.

The last major area addressed under our infrastructure goal relates to our park system. I am pleased to report that in 2006, the City Commission allocated $3 million in new funding for improvements to our city’s swimming pools, passive and active parks, and City sports facilities and courts. While a number of these capital improvements have been completed in ‘06, the majority will be completed this year. I’m also pleased to announce something for our youngest citizens: we have three new playgrounds at Phoenix, Roper Park and in the Porters neighborhood.

Our infrastructure is critical not only to our quality of life, but also to our economic viability. Private investment is unlikely to occur to the fullest extent possible in a community that fails to invest in itself. As we do allocate our citizens’ precious resources into roads, utilities, facilities and other infrastructure, we are conscious of the return on investment that will ultimately result. With that in mind, I’d now like to turn to our second strategic initiative, related to Economic Development and Redevelopment.
ECONOMIC DEVELOPMENT AND REDEVELOPMENT
The City of Gainesville’s intent is to create a vibrant, entrepreneurial atmosphere where people are able to build wealth and foster new ideas. With that goal in mind, the City continued to build our Innovation Economy this year by supporting the role of the Gainesville Technology Enterprise Center, better known as GTEC, in facilitating the growth and development of the Innovation Economy. In the past year, the City and other partners provided operating funds to support this facility and continued to build a technology hub through land assembly in the immediate vicinity. GTEC achieved a 95% occupancy rate this year and it is anticipated there will be several graduations shortly. The City works in partnership with the Chamber of Commerce and others to bring this project forward and is further focusing bringing innovative economy firms into a new area we call the Innovation Zone. I’d also like to recognize Commissioner Emeritus Warren Nielsen for his leadership in conceptualizing and implementing this Innovation Zone.

In this New Year, the redevelopment opportunities associated with Gainesville Regional Utilities recently approved relocation of some of its facilities to North Main Street provides added impetus to further establish and encourage development of Innovation Economy opportunities. We will have 14-acres of under-utilized property around the Kelly Power Plant available for redevelopment. This lends credence to recent efforts to establish additional inventory for facilities in the Innovation Zone and in proximity to the University of Florida main campus. This area will become available at a time when the area is beginning to reach a critical mass in the building of the Innovation Economy and when the State of Florida is moving in a similar policy direction.

Over the past year, there have been several developments within the City’s Airport Industrial Park and at the Gainesville Regional Airport. Quartz Solutions, now INTU, constructed a 35,000 square foot showroom and warehouse facility to accommodate its countertop manufacturing and retail business. In addition, the City has been working with a local firm, the Florida Food Service, to facilitate its upcoming expansion that will result in the doubling of its existing footprint. In both cases, the result will be additional jobs and tax base for the City. In addition, the City is attempting to address a historical environmental condition affecting the Airport Industrial Park in cooperation with the Florida Department of Environmental Protection in order to ensure future development opportunities and remediate contaminated groundwater.

The Gainesville Regional Airport is of course one of our most critical economic and transportation assets, and City staff has worked cooperatively with Airport staff, board members and other entities in the community to facilitate the development of Eclipse Aviation's Southeast Regional Servicing Center to be completed this Spring. In addition, DayJet will soon be
offering its per seat on-demand service to Gainesville. It is anticipated that this innovative air travel niche could add a few hundred jobs, paying substantially higher than average wages in this area.

Alachua General Hospital has been an important part of our city’s healthcare since 1928. After some robust debate about the hospital’s future, it is exciting that Shands is actively converting one tower of AGH into a new Children’s Hospital. For the large number of Gainesvillians who were born at AGH, this new focus for an older hospital makes great sense. At the same time, Shands is working hard to maintain and expand adult patient care at AGH, and our goal at the City is to ensure that the area around AGH is rebuilt in a way that helps secure the hospital's full spectrum success. With hundreds of new housing units under construction, and several other exciting retail and residential projects in the planning stages along Sixth Street and SW 2nd Avenue, we believe the future of this area is very bright.

Another tremendous development not only for Shands but for our entire community is the construction of the new Shands Cancer Hospital on Archer Road at the site of the old University Centre Hotel. This is a $388 million dollar investment in curing the scourge that is cancer. The new hospital will serve to further secure Gainesville’s status as the only place to be when you are in need of the most sophisticated, hope-inspiring medical treatment. The new 500,000-square-foot-facility will house private beds for a variety of patients, including those receiving diagnostic and therapeutic oncology services. It also will include a critical care center for emergency- and trauma-related services.

The City of Gainesville has worked cooperatively with Shands’ leaders and doers to facilitate construction of the new Shands Cancer Hospital. Beyond the normal zoning, road closing and infrastructure issues, which, on a project this size, are in themselves quite daunting, I’m extremely pleased to make a very special announcement today regarding a new partnership between Gainesville Regional Utilities and Shands Hospital. GRU has been selected as the new long-term energy partner for Shands at the University of Florida Cancer Hospital, subject to approval of final contracts, that’s a lawyer’s language.

GRU, which was selected through a competitive multi-step process, will be providing highly reliable, efficient, competitively priced and environmentally sound chilled water, steam, and emergency and standby generation to meet the unique needs and requirements of the new hospital. One of the design options that are being considered is combined heat and power, which uses waste heat to cool the hospital while providing our customers with competitively priced base load energy. This is a unique opportunity to forge a long-term partnership with one of our largest customers, while achieving energy conservation and carbon intensity goals. Construction on the Shands at UF Hospital is scheduled to begin early this year, in fact they turned dirt last week, and will be completed in 2009. On a personal note, the GRU staff asked me to participate in the
presentation of our utility's capability to provide these highly sophisticated and cutting edge services. I have never been more proud of the competency, creativity, and service orientation of our public utility. Ed Regan, Chip Allen, Chuck Heidt and many others within GRU are to be recognized for making GRU the obvious choice for providing tomorrow's energy solutions to Shands today.

While we are on the topic of first rate health care, I also want to highlight how excited we are about the expansion of North Florida Regional Medical Center. In 2006, North Florida Regional Medical Center built a new 7th floor adding 47 new beds to the hospital. This $20 million project will increase the hospital's bed total to 325 and will add 17,000 new square feet. This expansion is necessary to keep up with North Florida's growth. I want to mention that because it is very important that North Florida Regional Medical Center is our third largest taxpayer in the city, behind the Oaks Mall and Oak Hammock. In the summer of 2006, I was grateful for the opportunity to travel to St. Petersburg to speak at North Florida's annual retreat, to better understand both their needs and the value they bring to our community. We are truly fortunate to have such incredible health care options here in Gainesville, and such a willing partner in advancing our common interests.

The connection between Gainesville's healthcare pre-eminence and our growing biosciences industry is obvious. Gainesville hosted the 9th Annual BioFlorida conference this year, the premiere conference for the statewide organization representing the life sciences. Here in Florida, one of the fastest growing bio-hubs in the world, Gainesville is emerging as a key player in an exciting time in our state’s history, a time where our economy has tremendous opportunity to expand and grow in its diversity with the potential to increase the number of quality jobs here in Gainesville.

Our redevelopment efforts are fast accelerating as well. This past year we dramatically increased the size of the Eastside Redevelopment District, extending the tax increment district opportunities to the South and East in particular. First established in 2001, the Eastside district is home to established, tree canopied neighborhoods, with proximity to downtown, minimal traffic congestion and varying land options for significant market rate housing and retail.

A gateway to East Gainesville is in the planning stage with the purchase of the former Tackle Box property. Gainesville's past is also being preserved through dedicated volunteers are working towards restoration of the historic Cotton Club, where in its heyday, performers such as James Brown, Brook Benton and BB King played to large Gainesville audiences. The Cotton Club is set to be restored for use as a museum, gift shop and neighborhood center. With so much opportunity and potential, the Eastside will continue to become a place in which to reinvest.

Guided by Plan East Gainesville, a planning study that promotes quality development on the Eastside, we saw tremendous progress in redevelopment projects that were proposed in 2006. The Eastside will be gaining new retail options for excited residents with the new proposed Wal-Mart Supercenter. This new development will be attractively
designed to not only provide shopping options but also aesthetic quality to the Eastside. This will add to the vibrancy of the University of Florida’s new Eastside campus, which represented a $9 million investment and placed more than 200 workers in the Waldo Road area. With the City’s support and encouragement, Alachua County is seeking to relocate the fairgrounds a few miles to the North, and will redevelop the site at the corner of 39th Avenue and Waldo Road into a new office park. Together the City, County and University of Florida have engaged the Community Design Center to further refine our vision for this Waldo Road corridor, and to maximize the positive impacts to adjacent neighborhoods.

But the City’s most ambitious Eastside redevelopment initiative is centered on Kennedy Homes, a failed former public housing project that we expect to close on within the month thanks to the very hard work of Marion Radson and his staff. Our goal is to start anew with the Southeast Gainesville Renaissance Initiative, a brand-new predominantly market-rate neighborhood. Our analysis indicates that this new market-rate housing should perform well due to the location of the site and the strength of the surrounding neighborhood, amenities, schools, and transportation facilities. Adjacent private property owners are participating in our vision for the redevelopment. A master plan for that area will be completed in 2007.

In the Fifth Avenue/Pleasant Street redevelopment district, the city’s Model Block Program is well underway with the second model block home recently sold and construction of the third home beginning this winter. Already we can see that rehabilitating these homes is having the desired effect on the neighborhood, as private individuals are now rehabbing several other homes in the immediate vicinity and new residents are moving in.

Gainesville Greens, a new 10-story mixed-use project in the heart of Downtown, moved closer to breaking ground as a new residential and retail development on the old City Parking Lot #10, just northwest of the new Courthouse. University Corners also continued to move forward, with wrecking balls clearing way for this 8-story mixed-use development across from the University of Florida. Jefferson on Second, a large student housing complex, is under construction on SW 2nd Avenue, University Lofts was completed on the corner of University Avenue and Sixth Street, University House on 13th Street is moving forward, and numerous other residential projects are under construction throughout the College Park and University Heights and downtown districts. The Hampton Inn development project is also moving forward, and will provide a new 6-story hotel with first floor retail, the first major hotel in the downtown, to be located just north of Union Street Station.
The Community Redevelopment Agency launched a new Visual Master Plan and accompanying website this year in an effort to communicate how the City and CRA will build our vision for vibrant urban neighborhoods over the next ten years. Included in this plan are the elements, such as roadway improvements and potential redevelopment sites, planned for the next decade. If you would like to see this vision online go to www.redevelopgainesville.org.

While new buildings and infrastructure are of course exciting to those of us who care about healthy cities, our ultimate goal must always be to encourage full development of our people. So let's turn to our third strategic initiative, investment in human capital.

INVESTMENT IN HUMAN CAPITAL

Our goal is to assist every person, regardless of age, to reach their true potential. While the vast majority of our citizens are of course able to live their fullest life with little or no government intervention, it is our responsibility to build safety nets for the very young, the very old, those who have disabilities, those who have suffered discrimination, and those who are just down on their luck. In this week in which we honor Dr. Martin Luther King, Jr., it is fitting to remember that "Injustice anywhere is a threat to justice everywhere."

This year the City and County together took several significant steps to address homelessness in our community. Just over a year ago, the City Commission approved the 10-Year Plan to End Homelessness (GRACE). This plan was developed over nine months with participation from over 200 community members, agencies and businesses. Following the approval of this plan, the City Commission approved funding for the new Office on Homelessness (OOH) within the Alachua County Housing Authority. Increasingly, Gainesville and Alachua County are being used as a model to other regions by federal and state housing officials, because we have not only adopted this plan, we are aggressively making progress in its implementation. Here are just a few of our 2006 successes:

- We've allocated $140,000 in City, County and private funds to cover the first two years of operating expenses for the Office on Homelessness, whose mission is to oversee and coordinate implementation of the 10-year Plan to End Homelessness.

- The City allocated $100,000 for the 2006 Winter Shelter program and $25,000 for the 2007 Winter Shelter program, focused in willing hotels throughout the community and at St. Francis House.

- $100,000 has been allocated by the Department of Children and Families in Challenge Grant funds to various programs/agencies to provide supportive
services, transportation assistance, cold night shelter and other necessary programs.

- The Department of Children & Families has also secured $125,000 to fund a collaborative effort with the Alachua County Housing Authority to provide housing and intensive supportive services to 15 homeless individuals with disabilities.

- $750,000 was obtained in DCF Homeless Housing Assistance Grants to the Alachua County Housing Authority to expand affordable housing in the area by 40 beds, allowing for the further leverage of an additional $1 million in U.S. Dept. of Housing & Urban Development Funds and I must recognize former Representative Ed Jennings, Jr. for his tireless work to make these dollars available to us.

- The Office on Homelessness has issued an RFP soliciting proposals for the operation of a One-Stop Homeless Assistance Center, and has $175,809 available for this purpose.

- FloridaWorks recently secured $200,000 for employment services and assistance, including housing, to homeless people, in partnership with VETSPACE, the Alachua County Coalition for the Homeless & Hungry and the Alachua County Housing Authority.

- The City has allocated $10,000 for a pilot “Homeward Bound” bus ticket program to return people to receiving family members or other appropriate circumstances.

- Under the leadership of our new Assistant City Manager Lee Ann Lowery, the City Commission has approved the concept of having a social worker and uniformed patrol working throughout the urban core areas to identify solutions to problems resulting from homelessness in our community.

- There is a remaining $183,000 in City, County & private funds available to allow for grant-matches and other homeless oriented programs.

I want to especially recognize Commissioner Rodney Long, who has been both the inspirational leader and the taskmaster for much of this work. He and I have co-chaired this effort, but could never have made the progress mentioned above without the dedicated services of Jon DeCarmine, Gail Monahan, Ken McGurn, Gordon Tremaine, Jim Hencin, staff at St. Francis, Meridian, DCF, the VA and many others too numerous to name. Homelessness is a brutal and persistent problem that afflicts real human beings in every major city in the United States, and throughout much of the world. But there are many models of programs that work in dramatically reducing the number of those suffering. Gainesville and Alachua County are poised to join the ranks of those that others look to as guideposts.
Also in the area of investing in human capital, the City is expanding our focus and strategic efforts to enhance conditions for our youngest and oldest citizens, what the United Way calls "Success by Six," supplemented by what Commissioner Rick Bryant has dubbed "Success After Sixty." Our recreation staff has added many new programs targeted toward younger children, and we are seeking guidance on how to make Gainesville a more hospitable community for older citizens as well. We are seeking to understand what we can do to reduce the number of children on the waiting list for subsidized child care. We have committed to help boost performance of some of our lowest achieving students, and have recently adopted a new mentoring effort to support Gainesville High School, in what we’re calling our "Raising Canes" program. For more than a decade GRU has adopted Williams Elementary School, which is thriving, and we will look to that successful relationship as a model. In addition, for the very first time we are using our federal lobbyist to seek additional federal funding for an educational initiative, a science and math program for ninth graders. We have also expanded our management of the Teen Zone program into Fort Clarke Middle school, and are participating in numerous other initiatives focused on child advocacy.

We know that the schools are seriously hampered in efforts to teach a child that comes from a dysfunctional home or neighborhood, and we are committed to play our part to address excessive dropout rates, juvenile crime, and youth violence.

In the area of human capital, the City's Equal Opportunity Charter Office, which is led by Jimmie Williams, is in the midst of a community-based effort to dismantle racism. Over 80 people participated in a two day workshop on this topic several months ago, and the feedback has been very positive. We must now turn our knowledge and motivation into action.

Our fifth strategic initiative is in the area of Environmental Sustainability.

**ENVIRONMENTAL SUSTAINABILITY**

There is no question that Gainesville's residents cherish the natural environment. Our tree canopy is our pride and joy, the thing that sets us apart from lesser places. Our strategic objective incorporates this love of the natural world, and calls on our city to be a leaders in energy efficiency, land conservation, water management and pollution prevention.

In July 2006, GRU began an energy conservation program that offers air-conditioning and appliance rebates, programs for lower-income customers, a low interest loan program, and new business conservation programs. New residential programs include online residential energy efficiency tools and Energy Star certification for affordable housing rebates, which encourage builders to construct homes to Energy Star standards. They've even developed a tool for GRU customers that allows your own home energy use to be audited online. I encourage everyone to visit [www.gru.com](http://www.gru.com), and
do this audit. Not only will you save yourself money, but you’ll be helping to conserve energy and protect the environment.

For those who may be skeptics, I want to share that we have seen real success in our parallel efforts to reduce water usage. Our water conservation efforts have documented a reduction in water use per household from 102 gallons per day to 90 gallons per day in households over the past four years.

Our City’s water supply is perhaps the most important of our natural resources and as such it is the City’s responsibility to protect it. Although our water supply is safe, it is threatened by contamination in the Floridan Aquifer beneath the Koppers and Cabot Carbon industrial sites. The Murphree well field, which draws drinking water from the Floridan Aquifer, is only two miles downstream from those sites, which have been designated on the Superfund list since 1983. Results from the monitoring in 2006 showed significant levels of groundwater contamination in the Floridan Aquifer beneath the site, confirming GRU’s assertion that it is necessary to contain and treat the contaminated water at the site. This process would involve installing recovery wells that would pump the water out of the ground to prevent the contamination from spreading. Senator Bill Nelson is also supporting GRU by urging EPA to require containment and recovery as an immediate measure, rather than waiting for the final remediation of the site, which, according to the track record, could take years.

The regional nature of our utility responsibilities extends beyond our water supply responsibilities. By virtue of franchise agreements we are the provider of natural gas service in the City of Alachua and will soon be in the City of High Springs. We are in the process of negotiating a similar agreement with the City of Hawthorne and we will likely respond to an RFP to be issued by the City of Newberry. All of these endeavors help secure the financial stability of our community and enhance the quality of life for each of these communities served, while providing a cleaner, more environmentally responsible energy alternative.

The City opened the 10-acre John Mahon Nature Park this summer. This park is named after a lifelong community activist and resident of the Sugarfoot Community. This newest addition brings the number of passive parks available to the citizens of Gainesville to 23, which translates to over 2,000 acres of land, serving over 300,000 visitors annually. Among the other new projects in our nature parks are the new boardwalk under construction between 8th Avenue and 16th Avenue in the Hogtown Creek Greenway, and acquisition of approximately 75 acres in the Hogtown Headwaters at the Hartman property, located on NW 53rd Avenue at 441. This conservation project was enabled by a grant of $3.6 million from the Florida Communities Trust, with an application prepared by Alachua Conservation Trust. Both as a board member of ACT and in my role as mayor, I was grateful to participate in the effort to obtain the grant by presenting our request in Tallahassee. This new park will not only provide permanent protection for a sensitive watershed, it will open new passive recreation opportunities in the northern part of our city.
Once a nature park is established our **Nature Operations** staff makes sure that we offer meaningful programming and events including the Farm & Forest Festival, native plant sales, the Cane Boil and Fiddle Contest and the Great Air Potato Round Up, and others. In addition, the Nature Operations staff presented over 2,000 programs for school aged children and adults, and is continuing to oversee renovations at the new **Cofrin Park** on NW 8th Avenue and at Bivens Arm.

While I hope you are getting a sense of the sheer magnitude and diversity of what the city does, I want to assure you that we are constantly weighing the costs and benefits of the projects we undertake, and are focused on offering programs and services in a cost effective manner. This leads me to our sixth strategic objective, a commitment to government effectiveness and fiscal responsibility.

**GOVERNMENTAL EFFECTIVENESS & FISCAL RESPONSIBILITY**

Our intent is to be a responsive, efficient, and fiscally conservative organization. When you review the fiscal accountability measures used by bond rating agencies, auditors and peer reviewers, Gainesville is in the top tier of local governments in our practices and our track record.

While property taxes make up just 23% of our annual operating budget, in 2006 we again reduced our millage rate, marking the 22nd consecutive year we have either reduced our property tax rate or held it steady. Gainesville's millage rate remains in about the middle of the pack among nearby and peer Florida cities, and in a recent cost of service study conducted by the City of Tallahassee, Gainesville was among the lower cost communities in terms of comparable service provision.

Of course, GRU’s financial security is important to our community as well, so a number of financial restructuring decisions were made this past year that have resulted in savings of approximately $15.2 million for our ratepayers and have helped demonstrate why we are a strong “Double A” rated utility. GRU has been an incredible asset to Gainesville for more than 100 years, and is blessed with a tremendous and talented staff. I'd like to especially recognize the service of Karen Johnson, who took over as acting utility director upon the departure of our long-term manager, Mike Kurtz. Karen is creative, energetic and hardworking, truly a pleasure and a treasure.

Despite the added fiscal security that our utility brings, there is no question that Florida is facing a property tax crisis, precipitated both by rising property values and as a result of inequities between different types of property owners. Those of us lucky enough to have long-standing Save Our Homes exemptions are stuck in place if we wish to avoid dramatic property tax burdens, and those who are newer homeowners are left holding the bag. This is one reason that we are continuing to consider more equitable ways to fund our services rather than just through property taxes, and will need guidance from our citizens in this regard.
One very exciting development in the realm of access to city government has been the addition of web streaming to the city’s website. Now all City Commission meetings are available online, live as they happen and in an archive where visitors can see them anytime. Web streaming isn’t the only addition to our website though; we’ve recently added an online parking ticket payment system, to take away some of the headaches associated with paying parking tickets. In the next year, we are looking to provide more services directly through our website and also redesigning it for a more user-friendly experience. More and more services will be available through our website, as part of our electronic government or e-gov initiative.

The City’s government access channel, Community 12, has also been providing expanded access to our city government through shows such as “The City Show” and “Partners, Economic Development in Gainesville.” These shows are helping to raise public awareness.

Continuing with our efforts at community outreach, we are grateful for the efforts of the Market Gainesville Partnership, a group of respected marketing professionals from many private companies and public entities including the Chamber of Commerce, the Visitors Bureau and Alachua County. The group worked with an outside consultant, North Star Destination Strategies in order to present a unified brand image to attract visitors and economic development to Gainesville. This does not replace our city seal, which continues to be a historic representation of our roots. In true Gainesville style, I have no doubt we will passionately debate whether “every path starts with passion” and whether that’s well, on track, to reference our train-based roots.

As much as change can be difficult, a city is an evolving organism, and we must adapt with the times. This leads me to another aspect of our strategic objective in governmental effectiveness, relating to annexation. Next week the City Commission will hear an updated presentation from David Rusk, author of Cities without Suburbs, who is an advocate of urban areas expanding their boundaries over time. In keeping with this philosophy, in 2006 Gainesville successfully annexed nearly 156 acres. In the coming months, we will be considering a several thousand acre addition to our northern boundary. We are doing this thoughtfully, and with the full analysis of what newly annexed areas mean for our existing city residents.

This leads me to our seventh strategic objective, related to partnerships.

**PARTNERSHIPS**

Gainesville’s goal is to establish and maintain healthy and collaborative relationships with all of the major institutions and with the citizens we serve.

I’m pleased to share that after more than a year of negotiation, the City and County Commissions will shortly look to adopt a Transition of Services agreement, to ensure smooth and seamless annexations. [Commissioner Lee Pinkoson](mailto:commissionerlee@cityofgainesville.org) and I met on this with
our staffs for months, and recently Paula DeLaney and Craig Lowe have weighed in as well. While there has been some give and take in this process, what we have is a work product both sides can benefit from.

We are also seeking to take our relationships with the University of Florida, Santa Fe Community College, our school board, and our neighboring cities to a whole new level. As much as this takes time, energy and patience, it pays tremendous dividends. On a personal note, I find that my service and board membership for the Florida League of Mayors, the Alachua County League of Cities and the nationwide Mayors' Innovation Project are each a wealth of new ideas and inspiration. I am a firm believer that if you never seek to learn from others who are struggling with the same issues, you are wasting a valuable resource. With Russ Blackburn's leadership as our City Manager, we are aggressively increasing our use of benchmarking and peer city comparisons, and implementing new management tools.

Our seventh strategic focus is in our neighborhoods.

**NEIGHBORHOODS**
Fundamentally, a city is a collection of neighborhoods. The neighborhood is the building block of a community. We are committed to ensuring that each neighborhood is attractive, safe, well maintained, and will offer a high quality of life. This is, of course, a serious challenge. Many neighborhoods are plagued by years of neglect. Others have been over-run by rental properties and most alarmingly, crime is alive and well in some of our neighborhoods.

The first message I have in regard to neighborhoods is that the city cannot possibly take back neighborhoods without the active participation of its residents. Luckily, we have numerous success stories that show the way. Lincoln Estates, Duval, and Phoenix have been shining examples of how neighborhoods can take control of their own destiny. In 2006, the Porters Oaks neighborhood came to the city for help, but brought their own resources to bear as well. Together with GPD, our solid waste division, Codes Enforcement and numerous community volunteers, the Porters Oaks residents conducted a major community cleanup, and have seen a renewed sense of both safety and pride. Thirteen other neighborhoods participated in cleanups as well in 2006.

This past year, the City adopted a new series of protections for neighborhoods, and established expanded funding for additional codes enforcement officers. While much of our focus has been in the areas around the University of Florida campus, Codes Enforcement is also making tremendous progress throughout the Eastside. They work closely with our police department to address the most serious issues, which leads me to our final strategic objective, in the area of Public Safety.
PUBLIC SAFETY
At the end of the day, if you want to know what an organization values, look at what it funds. This past year, our Fire Rescue Department and Police Department together represented nearly 45% of our entire general government operating budget, $12.15 million in Fire Rescue and $27.5 million at GPD. Fundamentally, as a City, our first responsibility is to keep our citizens safe. Many cities are struggling with this challenge. Violent crime rates are exploding all over the nation, dramatically affecting cities as nearby as Orlando, Jacksonville, and even places we've especially admired, like New Haven, Connecticut. I believe it is a tremendous credit to GPD, as well as to the Sheriff's office, the University Police Department, and other law enforcement personnel, that our violent crime rates have not been affected as dramatically. Nonetheless, these past few days have brought us a rash of extremely troubling sexual assaults, reminding us that we must remain vigilant in this regard.

While it is hard to even imagine the daily grind of responding to literally thousands of calls for service, each one of which could represent crushing human tragedy, think about this: Gainesville Fire Rescue responded to 14,412 emergency calls in 2006. GPD handled 128,603 calls for service, made over 8,000 arrests, and issued over 29,000 citations.

The sheer scale of this is incredible. Perhaps more incredible is how rare it is to have serious problems arise in either of these highly professional and capable departments. Great leadership, in our new Fire Chief Bill Northcutt and in our Police Chief Norm Botsford, is of course critical. But the quality and dedication of the men and women serving our public safety agencies is the key to the incredible effectiveness of these two departments.

On the night of the BCS national championship game, Commissioner Mastrodicasa, Sheriff Darnell, UF Chief Linda Stump, myself and other visitors were there to observe the "roll call" for the 150 officers who were called to serve that most unusual night. Trust me when I tell you that many of them would have rather been home watching the game themselves. But they served nonetheless, and managed a crazy, wild, potentially dangerous crowd with incredible finesse. We love our Gator fans. But I believe the main reason that Gainesville has never experienced the crisis situations observed in some other college towns under similar circumstances is due in no small measure to the respectful and professional ethic of our police department. It's worth mentioning here, although slightly off topic, that our public works staff also had the mess cleaned up by the morning, too. I think we might send that bill to Bernie and Urban!

While our city has grown, from around 96,000 residents ten years ago to nearly 121,000 today, our public safety facilities have fallen behind. We are seeking to rectify that.

In November of 2006, GPD started its renovation of the Walker Building to become its new 14,000 square foot administrative headquarters. Once the approximately $9.3 million dollar renovation is complete, the new headquarters will offer approximately 25,000 square feet of community and training space as well as a much needed interior
renovation of the existing GPD building. This project is possible due to City funding and rerouting of the planned Sixth Street Trail in partnership with the State of Florida. The City will assist with enhance the existing trail as a component of this partnership.

In addition, the City Commission has funded, and Gainesville Fire Rescue is currently seeking an appropriate site for, a new Northwest fire station to address service area gaps in one of the fastest growing parts of our community.

Again, both of these capital projects are being pursued cost effectively, but both also represent a rare opportunity to improve both the appearance and safety of the surrounding area.

I want to close by acknowledging the dedication of our city staff, our Charter officers, and my fellow City Commissioners: Commissioners Craig Lowe, Ed Braddy, Rick Bryant, Jack Donovan, Scherwin Henry and Jeanna Mastrodicasa. As we embark on the interview process to hire a new general manager for Utilities, I am reminded of one of the values I adopted in my career as a professional engineer. Hiring the right people is perhaps the most important thing a manager does. If you hire well, everything else is easy. If you hire poorly, everything else is impossible. The projects and accomplishments I outlined today have only been possible because of the work of over 2,200 employees of your city and its utility. There are those we know and love and hate to lose, like outgoing Assistant City Manager Barbara Lipscomb, who will soon leave us to be the new manager in Casselberry, or my own right hand person, Debra Hirneise, who is more talented than you can possibly imagine. But there are a lot more folks that we don't know, and who don't often get this type of public praise they deserve. Were it not for these individuals, I'd be standing here in front of you with nothing to say. Because of their great achievements, I've really said too much.

I also do want to just note that as we look back over 2006 we really do enjoy and take great pleasure in the new status of Scherwin Henry and Jeanna Mastrodicasa and at the same time we mourn the loss of Warren Nielsen and Chuck Chestnut. It is one of the challenges of term limits that we lose people we love but we also gain new people with new energy and insight so I want to recognize these new colleagues.

With that, I will thank you for coming, and say "Go Gators!"