

**Mayor David N. Cicilline's 2008  
State of the City Address**

Distinguished members of the General Assembly. Honorable members of the City Council. Honored guests.

Before I begin I would like to recognize two American heroes who are with us today:

Private First Class Angel Gomez is a veteran of the Iraq War who was wounded in battle while fighting for his country. As a senior at the MET school in Providence, he was assigned directly to Chief Esserman as an intern.

Also with us is Master Sargeant Gerald Pion, representing our fine National Guard. Master Sargeant Pion will join our country's forces in Afghanistan this May.

On behalf of every Providence resident, I thank you for your service.

Ladies and gentlemen:

Each year, I have had the honor of describing the newest chapter in the story of Providence – the progress we've made by working together to transform our city from one that had a world of potential to one that is becoming world class.

Each year, I have put forward bold challenges for us to reach and then looked ahead toward the next bright horizon in this unfolding story.

And what an incredible story it is --

We have come together in so many ways to fulfill the greatness we knew was achievable for Providence.

We have courageously shined a light into our city's dark shadows. We have brought hope and optimism where there was blight and despair.

We have come together to take ownership of our streets. In places all over the city, the *good* people – the silent but vast majority of hard-working families – own the streets again.

While other cities across America are facing all-out emergencies – Philadelphia, for one, is experiencing a murder every single day – we in Providence are experiencing our lowest crime rate in 30 years.

We have come together to breathe new life into our neighborhoods. City government has worked closely with our extraordinary community development corporations to rebuild neighborhoods family by family and home by home.

We've assisted local small businesses and provided targeted incentives to encourage neighborhood economic development. We are restoring city life to the way it should be – vibrant, revitalized, and safe.

We have come together to create a new environment for business investment. We have restored honesty and integrity to city government and sent a clear message that the playing field in Providence is level again.

We have expanded our commitment to the arts and our cultural heritage, believing that these are investments both in our city's passion and in our city's economy – and now we have real data to back that up, with \$112 million in economic activity and over 2,800 jobs thanks to the arts.

We have come together to give our kids more of the support they need to succeed. Our citywide Providence After-School Alliance is a national model and a living testament to our belief that our responsibility to children does not end with the school bell.

We are teaching them new skills and igniting new passions. We are helping them believe that they can and must seize these opportunities, expand their world, and explore new ideas.

But even with all of this progress, we still have old business left unfinished.

I applaud the City Council for the work they've done in passing part of our pension reform package, but it is time to complete the job.

We should finish the job of modernizing city government. There is general consensus that citywide, at-large representation is needed on the City Council, so let's honor the thoughtful, objective work of the Providence Charter Review Commission and adopt their proposal.

We should also come together and finish the job of settling our outstanding labor contracts. Let's continue to pioneer 21<sup>st</sup>-century, professional contracts that are fair to both our taxpayers and our employees

But while we will always strive for more, we owe it to ourselves to celebrate the incredible story of Providence. It is a story being recognized around the nation.

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The past five years of hard work have made this city very strong, but now we are faced with a new chapter.

We will still travel down the same road and our compass remains fixed, but the chapter we are about to write is going to look different.

The financial challenges that lay before us are serious.

Financial difficulties are not new to the City of Providence. We have closed enormous budget gaps, we have fundamentally rebuilt our city government, and we have expanded our tax base.

But the months ahead will present the greatest financial challenges city government has seen in many years.

In the past, our financial difficulties arose from internal problems – a shrinking tax base, major shortfalls from poor budgeting, or bloated government.

The financial problems we face now are caused by forces outside of the City's direct control. The City's fiscal structure is sound, but it looks like a hurricane is headed right at us.

Clearly, the largest and most obvious challenge is posed by the state budget crisis. Long ignored structural problems in state government have finally come home to roost.

And until something revolutionary is done, we are going to get less and less from a state government which costs more and more.

The other major challenge is posed by the national economic slowdown and possible recession.

The American economy is already severely polarized, with too little wealth and too few opportunities if you're not lucky enough to be at the top of the economic pyramid. When things take a bad turn, it means the difference between tough times and nearly impossible times for many residents.

That is why, in the coming chapter, success will not necessarily mean accelerating our progress. Success will mean holding steady. It will mean protecting our hard-won momentum.

I am confident that we will emerge triumphant, but I also know that along the way we will be sternly tested.

Our commitment to our long-term goals will be tested.

After all, they are bold. We are positioning Providence to leap ahead into the future – to define what it means to be an American city in the 21<sup>st</sup>-century.

We are planning an accelerated path to environmental sustainability that includes the development of rapid transit in the City of Providence.

We are refocusing our economic development efforts around products and services generated by the mind and not manufacturing plants.

We are rebuilding our crumbling school district, building by building, so that our high expectations are matched by modern facilities that support student achievement.

There will always be those who call these kinds of long-term investments unreasonable or unaffordable. But, ladies and gentlemen, we know our future depends on these strategic investments. It's called leadership.

Our priorities as a community will also be tested.

First and foremost, nothing is more important to us than the healthy development and education of our children. We will protect that priority because it cuts to the very heart of who we are and what we are about as a community.

It is also our highest priority to keep residents and visitors to our city safe from violent crime and other public safety threats. We have invested wisely in talent and technology, and our return on that investment has been enormous.

Yes, our commitment to our long-term goals and in our critical priorities will be sternly tested. But those are really part of a bigger, more important test that is the most critical of all – and that is the test of our belief in ourselves.

A plague of cynicism and inferiority is sweeping across our state. You read it in the newspaper and the blogs. You see it on TV. And you hear it in anxious conversations with your neighbors.

Rhode Islanders' trust in their leaders is breaking down. The belief that the state can pull together to tackle big challenges is fading.

In this environment, it is all too easy for political leaders to lapse into fatalism, or even worse, into victimhood – expecting failure, and blaming others without taking responsibility.

I am thankful to say that in Providence, we have held together and rejected that fatalism. Providence is a city that continues to seek new solutions and new horizons. Providence is a city that very much believes in itself.

We feel momentum here. We feel the excitement that comes from an unlimited sense of possibility. We know in our bones that our best days are ahead of us.

Providence is also a city in which all Rhode Islanders have a stake. The ambition and hope harbored in the capital city belongs to everyone.

After all, we have strong momentum and we have big plans for the future. And, yes, in this difficult chapter, success is going to mean protecting our progress and holding steady, but, without question, Providence will continue to distinguish itself as a great American city.

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But, as we know -- as we have learned from a lot of experience -- progress takes work. It is going to take all of our work ethic and creativity to face the challenges ahead.

All too often, the discussion about the budget and the economy is clouded with numbers so big and language so academic, it seems like we're talking about something completely separate from everyday life.

But this is not about numbers on a balance sheet. This is not about simply closing a budget gap. This is about real people in our neighborhoods. And too many families are working harder and still worried about their financial security.

With gas and home heating oil over \$3.00 a gallon; with the cost of housing still extremely high; and with unaffordable health care, many don't know how they're going to make ends meet.

It used to be that the American Dream was available to anyone who was willing to work hard enough, but in today's economy too many families are doing everything right and still being left behind.

For a lot of our residents, there are only two parts of the day – the time for work and the time for worry.

How much oil can I afford to buy this month to heat my home?

What will I do if my rent gets raised again?

What am I going to do if my child gets sick?

Can my daughter who's graduating from college find a job in Rhode Island so I can watch my grandchildren grow up?

These are questions weighing on the minds of residents every, single day.

On top of that, the country's foreclosure crisis has deepened that anxiety and brought real financial peril to many residents of our city.

Let me tell you the story of one Providence family who lost their home to foreclosure. They were able to afford the monthly payments that were in effect when they signed the papers, but not the ones that came later.

They moved themselves and their children into a friend's attic until they could get back on their feet. But that was going to take time and the neighbors were starting to get impatient.

One day, with no other choices and no place to go, they were simply gone. Another family's life turned upside-down with no permanent place to live.

We have to do everything we can to protect Providence families in these increasingly tough times.

Of course, the national economy is not something we can pretend to have control over. That responsibility lies in Washington.

We in Rhode Island are blessed with one of the best federal delegations in the country, but despite their efforts, Washington has fallen down on this critical part of its job.

We live in a time when our government allows lenders to intentionally obscure key facts in making loans. They profit by exploiting people's basic trust.

We live in a time when our government allows oil companies to post world record profits while families have to shut off the heat just so they can afford to buy groceries.

The federal government has failed to address these problems, but we see the consequences of this failure. We know the names of the families who get hit the hardest.

We have to do everything we can to protect Providence families in these increasingly tough times.

That is why as I began a new term last year, I convened a task force of the foremost experts in our city – with consultation from some of the best experts in the country – on the subject of moving people out of poverty and rebuilding the middle class.

I challenged them to present me an action plan that would go beyond theory, go beyond ideology – that would lay out a concrete strategy for doing everything that we can to move Providence families from hopelessness into a world of hope and opportunity.

Last fall, the group completed the Pathways to Opportunity program and I immediately began to put it into action.

The City is developing a formal partnership with the State Office of Adult Education so our agencies can coordinate their strategies and work together more effectively.

We have created an apprenticeship program with the building trades and Building Futures to prepare young people for high-paying, skilled jobs. They will help build the schools of the future as part of our *Building a Legacy* school construction initiative.

We are co-investors in *Stepping Up*, a program to train residents in critical health care jobs, so we can give people marketable skills and help relieve the nursing shortage at the same time.

I have created the *Bank on Providence* Leadership team, including the FDIC, The Clinton Foundation and local financial institutions, to establish banking relationships with low-wage families who have never had bank accounts.

The First Source local hiring program is up and running after 20 years of being ignored by city government – in fact, we provided 232 Providence residents with a good job. And now a working group is taking steps to make it even stronger.

I am also submitting legislation to curb practices like payday loans and refund anticipation loans in an effort to fight the high cost of being poor.

These are smart, targeted solutions that don't require major new investments, but, taken together, will make a real difference in people's lives.

We have to do everything we can to protect Providence families in these increasingly tough times.

Our worker training and summer jobs programs in Providence are more robust than ever before. Each month we reach out to every unemployed resident to offer the services of Network RI's one-stop job center.

The team there provides job placement and funds for retraining. They match job seekers with instructors from CCRI, or teach skills on site.

They are getting people back into the work force in good jobs with employers like Capco Steel, Verizon, GTech, Lifespan and CVS.

We have to do everything we can to protect Providence families in these increasingly tough times.

My administration is also working aggressively to directly address the effects of the national foreclosure crisis being felt in Providence.

We are speeding up the process of getting abandoned homes off of the balance sheets of banks and into the hands of Providence families.

I have submitted an ordinance to the Providence City Council to create an Abandoned Property Penalty. It levies an annual fee on owners who allow property to be left

abandoned. It creates a financial incentive to sell, creating a buyer's market for families, and discourages speculative investment.

Also, at my direction, the City Solicitor is reviewing two avenues for potential litigation to hold those responsible for the foreclosure crisis accountable.

I have also designated one million dollars for a new program providing interest-free loans to those who purchase foreclosed properties and need help with critical repairs to homes damaged during abandonment.

These are pro-neighborhood, pro-family measures that will help hold communities together during the fallout from the foreclosure crisis.

We have to do everything we can to protect Providence families in these increasingly tough times.

But that doesn't always mean starting new programs. It also means making sure that we perform our core functions as a city government as well or better than ever before.

In times like these, communities are susceptible to dissolving. They are vulnerable to the cancers of crime and the drug trade. The single most important factor in preventing that breakdown is the belief among neighbors that they are safe.

We have built a police force based on the principle that its most important asset is not manpower or technology. It is trust.

In a few days, we will celebrate our fifth year of community policing and of steady drops in our crime rate.

We will celebrate community heroes who have worked with our district-based officers.

We will celebrate the great organizations like the Institute for the Study and Practice of Non-Violence and Local Initiatives Support Corporation and so many others who have become critical partners in these efforts.

We will celebrate Providence's finest men and women, and we will march together in safety through what were once our most dangerous streets.

But most of all, we will celebrate trust.

Ladies and gentlemen, this trust is the glue that holds our city together, and we must all recommit ourselves to protecting this most precious of commodities through the trying times ahead.

We have to do everything we can to protect Providence families in these increasingly tough times.

Tonight, I am joined by the members of my cabinet. These men and women have brought experience, dedication, and expertise the likes of which this city has not seen before.

Through hard work and bold ideas, we have made this government do more for residents and with greater efficiency.

We've cut nearly 450 positions, shored up our reserves, earned straight A bond ratings, and negotiated health care co-pays for the first time in the City's history. I even enacted furloughs many months before it became a much publicized act on Smith Hill.

Despite the declining share from the state for our schools, we have worked aggressively to keep the cost of government down. We have done it because we have to do everything we can to protect Providence families in these increasingly tough times.

But this cannot go on forever. If the Governor's proposal to cut aid to cities and towns in the middle of the budget year is enacted, we will have to cut services. These will be cuts that residents feel.

The Rhode Island budget crisis casts a dark shadow over the financial well-being of every city and town. Its seriousness demands the best of leaders across the state. It requires a renewed sense of common purpose. It requires that we all approach this with a real commitment to finding solutions rather than assigning blame.

We must take every idea on its merits, regardless of the political party attached to it. We have to reject all of the us-vs.-them wedges that make constructive solutions impossible - - urban vs. suburban; local vs. state; anti-tax advocates vs. unions; and U.S. born vs. first-generation Americans.

In times like these, we all have to crawl out of our bunkers and lay down our arms. It's time for political courage and nobody's political future is as important as getting this right.

But let me also be clear that this is very different from saying we must all agree.

We have to speak our minds forcefully, but we also have to be willing to make compromises when the time comes. The chips are down and we must show why we are worthy of representing the great people we serve.

So it is in that spirit that I offer my suggestions for addressing the Rhode Island budget crisis that we all face.

I do not believe that our budget problems primarily result from a failure of political will. They mainly result from a failure of imagination.

For decades the state has taken the budget year by year, maybe cutting a little here, maybe adding a little there, but basically leaving the same template in place. We hear people talk about the budget year like it's as variable as the weather – if we just wait, a good one will come along soon.

But the world has changed dramatically in the last decade or so, while State government has stood still.

Rhode Island's tax system should be viewed as our most effective tool to spread costs fairly and create the best incentives in the places where our economy needs to grow. We have the technology and ideas to be much more efficient with our tax policies.

We should establish strategic goals for growth and we should look at our state spending like the portfolio of investments that it really is. The better we align our dollars with our future goals, the faster we'll achieve them.

We should always be looking for a better way of delivering services. We live in the age of innovation and there's no reason government shouldn't lead the way.

Instead, we seem to be stuck in the rut of doing things simply because that's the way it's always been done.

Well, our long-outmoded machinery is finally obsolete.

And for the last few years, local governments have served as the catch basin for a state government. When the costs started overflowing, they poured down to the local property tax payer.

But, we are now far beyond what our property tax payers can afford. Our problems have simply become too big for us to keep thinking so small.

I fully expect that there will be painful cuts this year. Good programs are going to get less than they should. Cities and towns are going to get less than they should. We all recognize that.

But along with those cuts it is critical that a corresponding, long-term plan to move the state budget out of its death spiral be developed.

If all we do as a state is get by for another year, we will guarantee a worse problem next year -- keep in mind the revenue shortfalls we're experiencing today happened *before* a projected recession.

Whatever we do this year must be part of a strategic turnaround plan to put state government on 21<sup>st</sup>-century footing.

Imagine what a different feeling we'd have as Rhode Islanders if, along with these cuts, we were developing a long term plan to overhaul our tax system -- to reduce our over reliance on the property tax and to encourage the growth of the knowledge-based economy.

Well, who says we can't?

I will submit legislation this year that will help do just that. It allows tax-exempt institutions like universities and hospitals to grow, and encourages them to spin-off new businesses that will produce jobs and expand the tax base. But instead of making local government the loser when property tax-exempt institutions expand, it makes them partners in growth by sharing in the new income taxes generated by these jobs.

Imagine what a different feeling we'd have as Rhode Islanders if, along with these cuts, we put in motion an aggressive plan to consolidate our school districts. If the question was no longer if we can, but when we will. And if on another track, public safety and public works officials from across the state were working together to develop a plan to create regional services, possibly by county, to become as cost-efficient as possible while strengthening customer service.

Who says we can't?

Imagine what a different feeling we'd have if, along with these cuts, we began a ten-year plan to make Rhode Island the greenest state in the nation. If we planned big investments to spur the growth of the renewable energy industry in Rhode Island. If we created a public works program that would employ thousands of Rhode Islanders to help convert factories, businesses, and homes to become more energy efficient, with drastically reduced carbon emissions. If we created a commuter transit system that cleared up our air and our roads.

Who says we can't?

Ladies and gentlemen, many of you will remember that in the state's darkest hour, during the banking crisis, Governor Sundlun invested in the airport. That investment was enormously important in opening up Rhode Island to the national and global economies.

Yes, we are facing a statewide budget crisis. We are facing a very likely recession in the economy. Things are going to be very hard. But sometimes it takes a crisis to force change.

The truth is we really don't have the choice to keep doing things the way we always have. This is the moment to develop and implement bold ideas that will not only help us through the short-term budget challenges, but also ensure our long-term prosperity.

The human soul can handle tremendous adversity if we know it's necessary for something better in the long run. That's called sacrifice.

So let's come together as a state and transform this crisis into a great turning point. I guarantee you that the people of Providence are ready to do their part.

Members of the City Council, let's demonstrate that spirit in a new commitment of cooperation and collaboration. The long nights and tough decisions ahead are going to require the best of us. It won't be easy but I am optimistic. The history of our great city tells us that we can rise to this occasion.

After all, it is the spirit of possibility, innovation, and original thinking that has powered the incredible story of Providence.

It is what gave Roger Williams the courage to found a city on the revolutionary idea that the right of people to worship as they please is fundamental.

It is what gave American revolutionaries the hope that they could one day govern their own land.

It is what gave the first entrepreneurs of the industrial age the initiative to build the foundation of a new economy.

It is what continues to propel us forward despite any adversity.

The next chapter in our story is going to be full of challenge, but the great character of Providence and its people will get us through the hard decisions we must make as a city, and it will help to inspire the bold measures we must take as a state.

Providence will give us what we need to persevere in the months ahead, so we must give Providence the hard work, creative thinking, and close collaboration it will take to emerge stronger than ever.

Thank you. God bless Providence, God bless Rhode Island, and God bless America.