

**53<sup>rd</sup> Annual State of Metro Address**

*As prepared for delivery by Mayor Megan Barry*

*April 29, 2016 at Ascend Amphitheater*

Thank you, Vice Mayor Briley, for that kind introduction.

I'd like to give a shout out to Peter Frampton, who made the first album I ever bought, "Frampton Comes Alive," and to the bands from Antioch, McGavock and Hunters Lane High Schools. When I was a teenager in Kansas, I never imagined I would be the Mayor of Nashville, Tennessee, and I certainly never imagined I would meet Peter Frampton. Both of those things make this a great day.

Thanks also to Cassidy Martin, our Youth Poet Laureate, from Big Picture High School.

Vice Mayor, members of the Metropolitan Council, our Board of Education, the Judiciary, constitutional officers, state legislators, and distinguished guests, including my husband, Bruce, welcome.

I am honored to be here with you.

To the citizens of this community, I thank you for this opportunity to serve. This is your city. We are the stewards of your trust. And we are committed to fully engaging you in every facet of this government, because we believe community input is fundamental to success.

We come together to talk about the current condition of our city and the state of the unified Metropolitan government that has served us so well these past 53 years. The State of Metro address is past, present and future. It's about our budget and our priorities; it's about our history and our vision.

Our city has never been stronger. Today we will talk about one of the greatest years of growth that Nashville has ever seen, and a budget that reflects that growth – with no new taxes.

But let me frame that growth for you in this way: We must have growth with intention, growth with purpose, growth with design and direction.

I believe that growth can be equitable. That it can be sustainable. That it can be about people as much as buildings, that it can truly touch the entire community – but only if we guide it and manage it.

And that's what we are doing here, with this budget. We are investing new revenues into our people. We are addressing those areas that success has often left behind.

This budget is about growing the city we want Nashville to be. I'd like us to be creative and caring, warm and welcoming, diverse and inclusive, driven by community engagement. I'd like us to be a city where our conversations are bigger than our conflicts.

My priorities are education, transit, affordable housing and supporting economic development. Improvements in those areas will take commitment, cooperation and, of course, funding.

We are presenting to the Metro Council today the city's first budget in excess of 2 billion dollars. This includes \$121 million in new revenue, the biggest increase we've seen in a year when we haven't raised taxes.

We are fiscally strong and poised to address our needs. With these increases, we're going to be able to do some things, overdue things that we haven't done in a while. And at the same time we will grow our rainy day fund.

Let's start with people.

We're going to invest in our employees by proposing a 3.1 percent across the board pay increase for our police officers, our firefighters, our librarians, our parks maintenance workers and all the other employees who work so hard for our city. At the same time, we are adjusting our pay plan to bring pay grades to market rate.

Metro employees are the backbone of the city, and in my short seven months in office, my appreciation for their work grows daily.

Our investment in them is an investment in Nashville. It allows them to pay a mortgage or cover a child's college tuition bills or buy groceries every week, and all of that economic activity keeps our city moving and growing.

If government has a responsibility to set an example in fair wages, it should also lead the way on diversity and inclusion. Our employees should reflect the diversity of the city they represent. That's why I created the position of Chief Diversity Officer within Metro, and it's why we've been mindful of inclusion in our nominations to the Metro Council for boards and commissions.

While we are being intentional about investing in our people, this year's budget includes improvements to our city's infrastructure – \$60 million to build sidewalks and pave roads. This represents our biggest investment to date in those areas.

We're going to take care of our school buildings – including starting work on Hillsboro High School.

Our new Criminal Justice Center, by design, will look at the cradle-to-prison pipeline in a different way by prioritizing a reduction in recidivism, caring for the mentally ill and implementing restorative justice.

We'll invest in our libraries, including a new library for Donelson and opening more branch libraries on Fridays.

We'll support the new Parks and Greenways Master Plan, which will be complete at the end of the year and will build on the large open spaces we've acquired in Southeast Nashville and Donelson-Hermitage.

Our infrastructure has to catch up to our growth, and this budget moves us in the right direction.

So ... how did we get here? The budget process began with a challenge to all Metro departments and agencies – show us how the public is going to benefit. For every dollar you're talking about spending, what outcome does the taxpayer get?

We challenged our departments to think about how they can work together and collaborate on pilot initiatives. We asked them to think about their operating needs over a 3-year span, not just this budget year, but to think long-term instead of living cycle to cycle.

Working with our departments, the team I've assembled has made significant progress over the last 217 days. But many of these issues will take time and engagement with our entire community.

I understand that for some, change may not be big enough or come quickly enough. I hear your voice. And I hope that we can continue the conversation.

Let's talk about education. I believe public education is the single most important thing a city does. It is why we have a democracy.

Education is the largest component of the budget I'm going to submit to the Metro Council. We are proposing \$843 million, or 41 percent of the entire budget.

The most important immediate decision in front of us is the selection of a new Metro director of schools. I am very encouraged by the conversations we've been having among all stakeholders about this crucial hire, both in actions and tone.

The community is together on this. The Mayor's Office and the school board, with the help of the Nashville Public Education Foundation, are moving in unison; we share a common vision for our school district and its leadership.

On my first day in office last September, I was proud to begin that day by meeting with the school board to discuss the director search. The school board reached out to my office and to a coalition of community groups, asking for assistance in the search.

The final decision, however, ultimately rests with the nine-member elected school board. I appreciate their commitment to making a great choice for all of Nashville's children.

The \$33 million of new revenue for schools this year will include funding for teacher pay, additional investments in literacy programs and resources for our English Language Learners. With our growing New American community, nearly one in four students comes to our public schools in need of improving their English language skills.

I don't see this as a burden, but as a tremendous gift. It's a gift to be able to help shape thousands of multilingual students who will graduate fully prepared to thrive in a 21<sup>st</sup>-century economy.

Our high school graduation rate is now up to 82 percent, having improved by almost 20 points in the past 10 years. But that's still not good enough. If we hope to keep improving that rate, we need to give our kids a running start by offering access to high-quality early childhood educational opportunities.

Thanks to our community partners and additional help from a federal pre-K grant, there will soon be a fourth Early Learning Center opening in Southeast Nashville, supporting families in the Antioch and Cane Ridge clusters.

As we invest in our students, we cannot forget the importance of our classroom teachers. We must invest in our teachers as well.

There are about 6,000 teachers in Metro. The proposed budget funds professional development opportunities with salary increases to make our pay more competitive with peer cities while also making it possible for teachers to be able to afford to live our a growing city.

None of these investments will help us, however, if we don't all feel safe. Youth violence is on the rise in our community. Monday's shooting at Music City Central bus station was a jarring reminder. We have 4,000 children who use our bus system daily to get to school. We must ensure their safety.

We don't have all the answers yet, but we've taken the first step, which is asking the right questions. We talked with community leaders and, most importantly, we talked with teenagers. We convened the Youth Violence Summit and held five meetings in the winter, leading up to the task force's final report and recommendations at the end of March.

Those conversations are now inspiring action. One way to mitigate violence is to replace it with opportunity for our youth. As part of this effort, we are developing Opportunity Now, an initiative to match our young people with first jobs and other employment opportunities.

We will work with youth along four different tiers of development, from rising 9<sup>th</sup>-graders to 24-year-olds. This budget will put our youth to work right away this summer, using the opportunities available in Metro. The goal is to connect 10,000 Nashville youth to jobs or internships by 2017.

We can't do this alone. It will take private, public, and non-profit sectors coming together to make this very ambitious goal a reality.

Let's move from that ambitious goal to another that impacts all of us. Better transit.

We need to think big and bold on this issue. If you look at some of our big public projects over the past two decades and think of them as major factors in our success – transit is the next one. We go bold here or we risk losing the economic gains we've achieved in recent years.

I recently got back from visiting Minneapolis with the Nashville Area Chamber of Commerce, and that city took 30 years to complete its second crosstown light rail line. We don't have that kind of time. Take a look at Denver. That city got it done in less than a decade, but Denver was all-in on the project. We need to be all-in.

The good news is we're a vibrant, growing community. But people need to be able to move about our region, and laying down more asphalt is not a viable option in most places. Cars aren't going away, but we need to provide better alternatives to cars, so that more people will choose to move about Middle Tennessee without one. That's where transit is critical.

MTA has been working on its long-range strategic plan – called nMotion – for more than a year and will be presenting it this summer. One thing about that plan that really excites me is that, to date, more than 15,000 Middle Tennesseans have offered their thoughts about how we're going to improve transit and their interest in significant changes.

Here are my thoughts after paying close attention to the process and conversation. First, we need to get started now, not only figuring out which projects we need to begin work on, but how we're going to pay for them. Second, we need to focus on new technologies, because the solutions we envision today may

be obsolete 10 years from now. Third, this is a regional issue, and we need to develop a regional solution.

By the end of the summer, we will have a plan that has input from all of our regional counties. What we don't have is a funding mechanism. I've met with members of the legislature, and while we're from different parties, that's ok.

Because this is not a blue-red, urban-suburban, Democrat-Republican problem. Transit affects us all. And we must have a funding mechanism that includes the region and the state to solve it.

Ultimately, our community must begin to change our way of thinking about how we move around. Nashville has been defined by cars. It's part of our culture. I think we can be defined by something else – a culture that embraces more innovative approaches to transit.

This is a marathon, not a sprint. Transit improvements are a long, slow and expensive process. These projects take years to complete. I realize that the work we begin today on transit may not be completed before I leave office.

But that work must begin. Let me state one more time: This plan must be big and bold, and it has to start now.

There are many things we can do in the meantime to help walkers, bikers and commuters. Our office is focused on three goals with regard to transportation:

We are improving the usability and safety of our streets for bicyclists and pedestrians;

We are creating more efficiencies by using available technology more effectively; and

We are making the necessary improvements and investments in our mass transit system so that it works better for all of us.

As we continue to increase funding for MTA, this year we will also see improvements such as a first mile/last mile ride-sharing pilot program with Lyft, Uber and the taxi companies; and a signal timing optimization project that impacts 551 intersections.

Last week I announced a new program for ongoing improvements to intersections throughout Davidson County to increase both safety and mobility for all modes of transportation: pedestrians, buses, bicycles and cars. We'll start with 15 trouble spots, according to the crash data, and then identify more intersections that need work once we finish this initial round.

In government we often talk about what we'd like to do and what we have to do. Transit falls into that second category, and so does affordable housing. Make no mistake about it, finding solutions for affordable housing is something we must do.

It's easy to talk about economic growth and expansion. It's hard to talk about poverty—but we must. We're going to talk about tools and resources that will help people find their way out of poverty. Because that's growth, too. This budget invests in our people, all of them.

We know 3 things about poverty – if you graduate from high school, get a first job and don't have a child until you're financially stable, the likelihood that you will be poor is greatly reduced. But even if you do those three things, you will still need options for housing.

Our housing priorities are focused on how Metro can help fund, build, preserve and retain affordable housing options. On the funding side, we are expanding the Barnes Fund for Affordable Housing to \$16 million in FY17. That is the highest it has ever been, and it's the biggest commitment an administration has ever made to affordable housing. I am committed to keeping this in the budget moving forward, with an anticipated appropriation of \$10 million each year that I am in office.

This city has spent a lot of time talking about housing. In fact, I think there have been 8 different plans by various groups. Today, I want to commit to a new approach, an approach to address the issue of housing affordability across Nashville.

My Office of Economic Opportunity and Empowerment is working with the Metro Council and community stakeholders to see it through. Our goal is to ensure access to affordable and workforce housing options near transportation and jobs.

On the building side, we have launched a Metro Property Donation Process for infill and large-scale housing development. Nearly 60 infill lots will be available for housing development throughout Davidson County. More than half of them are in the urban core.

For the first time, we're making Metro's own property available for affordable housing. Elmgton Capital Group, a Nashville company with experience developing affordable and workforce housing, has agreed to build at least 110 workforce units on Metro property at 12th Avenue South and Wedgewood. And we are working with other developers and urge others to come forward to work with us.

There are numerous voices on the issue of housing — and sometimes they are contradictory. We are committing more resources to affordable housing than ever before in Nashville, but we need to keep the conversation going and engage all stakeholders if we hope to develop the fairest and most comprehensive approach possible.

We have to balance the very real needs of our citizens who need housing they can afford with the very real concerns of developers who are necessary to build the housing we need. Those citizens include teachers, police officers, firefighters, musicians, creatives, much of the hospitality industry workforce and many more. There are no good guys and there are no bad guys in this conversation. It's a conversation worth having, and it's long overdue.

Last August, the Metropolitan Development and Housing Agency broke ground on a 68-unit building in the Cayce neighborhood of East Nashville. That was MDHA's first groundbreaking for new public housing units in almost two decades.

Since I took office, I have attended two more groundbreaking ceremonies for new affordable and workforce housing, one at the corner of 10th and Jefferson Street in the North Nashville corridor and the other at Gallatin Pike and Litton Avenue in East Nashville. There need to be more, and there will be more.

We also need to talk about the unhoused. In recent weeks, we've been working to find suitable alternative living spaces for those who have been staying at Fort Negley. This is an issue that is near and dear to my heart, having served for a number of years on the Homelessness Commission and personally getting to know many of those who are experiencing homelessness.

While we've remained firm in our resolve to restore the park, we've done so with a compassionate, service-oriented approach that brought together partners in the faith and nonprofit communities with Social Services and other Metro departments.

One thing we have done is pledge to build 20 micro-homes for the sanctuary at the Green Street Church of Christ. Here, we found a good-faith partner that wanted to work with us and help us solve the problem. And that sort of cooperation is what it's going to take to make a difference. Because government alone can't solve the problem.

Ultimately, encampments are a symptom of larger issues, such as the need for more permanent supportive housing and more affordable housing throughout Davidson County. But a lack of housing options is not confined to the need for more construction. It's part of a larger need to grow our economy in a way that lets everyone share in the prosperity. Which brings us to economic development.

During my years serving on the Metro Council, and continuing through my campaign for this office, I have been committed to making sure that Nashville's focus on economic growth and expansion is matched by a renewed commitment to lifting our citizens out of poverty and expanding opportunities for all of them.

An emphasis on economic development is not at odds with helping the poor. On the contrary, it makes the expansion of opportunity possible.

We can talk about improving our schools; we can talk about investing in transit; and we can talk about increasing our affordable housing. But the only way we can do those things is if we can pay for them. That's why economic development is so important. Growth with intention requires a strategic and thoughtful approach. That's a good place to put our energy and resources.

The city is on track to issue \$3.7 billion of building permits this fiscal year. That's double what we did in 2008, which was the high point before the recession, and it's more than 50 percent above what we did just a year ago.

Since I took office in September, we have announced 32 business expansions and relocations, creating 3,322 jobs and more than \$159 million in capital investment.

For example, earlier this month Harry's Fresh Foods announced they will be launching a production facility in South Nashville, creating over 300 manufacturing jobs.

Our unemployment rate is now down to 3.1 percent. Wage growth was up 5.5 percent; that's more than double the national average. That's a point of emphasis for us, and a point of differentiation from the rest of the nation. Not only is this economy creating jobs, but the wages from those jobs are on the rise.

What makes Nashville truly stand out among our peer cities is our tremendous creative and entrepreneurial spirit. Earlier this year, Nashville was named the number one city for women-owned businesses and fourth in the nation in the creative vitality index.

The creativity running through the city has always been here in the songwriters and musicians and producers who have made the Music City brand so much more than just a marketing slogan. But now you also see it every day in food, film, fashion and other areas. Fabulous restaurants and food trucks open up all the time. There are so many different types of “makers” doing their thing around the city, whether that thing is furniture or wallets or chocolate.

That energy makes this an exciting place to be. That energy drives our office’s focus on Smart City innovations and finding more ways to integrate technology into municipal operations, through our Smart City working group. One of my priorities is that this office matches or exceeds the creativity we see from each of you, and we will.

All this, and we haven’t even talked about tourism yet. More than 13 million people visited Nashville in 2015, which was our best year on record for hotel rooms sold and hotel tax collections.

We are strong, and the reason we are strong is because we’ve developed an atmosphere in our city that is both progressive and pro-business. I don’t think those two things are mutually exclusive. Rather, I think they are complementary – and a big part of our success.

All of the issues I’ve talked about today are big and complicated. We’re not going to be able to cut a ribbon and declare victory. We’re not going to wish them away by thinking small. Nashville is where it is today because my predecessors were bold, not small.

Because they didn’t listen to the voices that said take the easy road or wait another day.

We build every day on the work of my predecessors: Clifton Beverly Briley. Richard Fulton. Bill Boner. Phil Bredesen. Bill Purcell. And Karl Dean. I salute all of them.

The state of Metro in two words is growth and change. Our city is growing and changing by the day. In so many ways, this is not the same city you grew up in, not the same city you moved to 5 years ago or even 5 months ago. More businesses. More retail and restaurant options. More hotels. More cranes. More traffic. More poverty. More people. *Different* people.

Within Metro Nashville Public Schools, 30 percent of our current students come from households in which English is not the primary language. In the past 7 months, dignitaries from 9 different countries have visited my office because they want to learn more about us.

And with that growth comes new opportunities. We have an opportunity to remember those who have been left behind in the success of Nashville. This proposed budget, in many ways, is about them. But it’s really about all of us and the city we’d like to be.

The work won’t always be easy. We have some big challenges and difficult decisions ahead of us. No budget is bottomless, and this one is no exception. While we can generally agree on the issues that need

our attention in the next few years, there are going to be moments when we disagree on the solutions. But that's ok.

There will always be conflict. We are living in a time of great division and polarization. But I don't need to tell you that. You see it on TV, on your screen, in your Twitter feed.

And we are not immune from it here in Nashville. We have our share of it for sure. There's new Nashville and old Nashville. There's east and west, north and south. There are the divisions across socioeconomic and racial lines. There's our downtown core and the many different neighborhoods, each with its own perspective on prosperity and growth.

But there is something about this place that binds us all together during times of crisis and conflict, something that inspires us to reach for our better selves and work through our differences.

You see it in our consolidated approach to Metro government. You see it in our response to tornadoes and floods. You see it in the city's passion for community service, philanthropy and volunteerism. Collectively, they are the things that define us the most.

This sense of ourselves, it serves us well in times of conflict. We respond with civility. We respond with conversation. And then we respond with action.

Conflict is inevitable, and oftentimes necessary. We are not far from the courthouse steps where Fisk University student Diane Nash asked Mayor Ben West the question, "Do you feel it is wrong to discriminate against a person solely on the basis of their race or color?" That exchange led to the desegregation of our lunch counters. Without conflict, there is complacency. The question is, how do you respond to conflict, and where do you go from there?

I believe we go from conflict to conversation. That's who we are. That's what makes us different. But the conversation is meaningless unless it leads to action or change. We are having many conversations right now around our most pressing issues. Talking and listening are always the first steps.

We're so fortunate to live here. Here's what I like best. Some people will stop me on the street and tell me, "You weren't my first choice. But I want you to be successful. Because if you're successful, Nashville is successful." That's who we are.

Let me put it this way, borrowing the words from a friend of mine and a conversation we had earlier this week. There are neither conservatives nor progressives at a PTO meeting. Just parents who want the best for their kids. There are neither Republicans nor Democrats in a traffic jam. Just folks who are frustrated with their commute.

Responsible management is not partisan. It's just the right thing to do. We will be judged in our time by how we used the limited resources at our disposal to make this place a better place for all of us – old and new, rich and poor, east and west, north and south.

I have a sign in my office that says, "Power is about waking up every day and making a difference in someone else's life." I plan to use that power wisely as we walk together to grow the city we want to be.

Thank you.