

**State of the City Address
As Delivered by Mayor Kim Driscoll
Salem City Hall Council Chambers
January 7, 2013
6:00 pm**

Good Evening and Happy New Year. I am pleased to be here this evening to offer a few remarks on the State of our City.

As I do that, I also want to thank both members of our Legislative delegation – Rep. Keenan and Sen. Lovely – for joining us here this evening and congratulate Councillor Ryan on being elected Council President this year. We have had a very collaborative partnership with our elected state officials and I'm looking forward to that continuing in the months ahead. This is an exciting time in Salem as new investments and opportunities abound, many of which will have an impact on our city for years to come.

Finances

When it comes to finances, our bond rating was upgraded earlier this fiscal year by Standard and Poor's citing our strong record of fiscal management. This positive news is even more impressive when you consider that it wasn't that long ago we were facing a multi-million dollar deficit with little reserves on hand.

Make no mistake, it's still tough to balance the local budget, with ever present demands on infrastructure and cuts in state and federal funding, but, we have solid finance policies in place and continue to work with our employees to provide fair wages while curbing expensive perks.

Our biggest cost challenge over the last several years – health insurance benefits – was tamed over the last year as the City negotiated new agreements that transferred employees and retirees to the State Group Insurance Commission or (GIC), which offers high quality insurance options at much more affordable costs. In addition, we have reached agreement with a third of our unions, with more set to vote later this month. In these new contracts, we end costly sick leave buyback provisions - a benefit that has cost the city in excess of \$1.5 million dollars over the last three years.

We take these actions and others, always looking for ways to operate more efficiently, because we are committed to keeping Salem an affordable community. These health insurance and sick leave buy back changes will significantly help that effort both short and long term.

Transportation

As for transportation, this year saw the completion of the Bridge Street Corridor improvements - a new \$10 million dollar curb to curb upgrade funded by state and federal grant funds. It took longer than we wanted and at times was frustrating for both city officials and residents, but the final product was worth the wait (almost).

Next up is the MBTA Garage. There was no "official" ground breaking, but ground has certainly been broken as part of the projects archeological review. We are excited to see this long awaited project begin this Spring and look forward to its completion in 2014. We've tried to ease the pain for commuters driving to the station by securing acquisition and clean up of the Universal Steel site. This long dormant, eyesore on Bridge Street was recently demolished and the multi million dollar clean up associated with left over PCB's and other on site hazards is currently underway. By taking this property through tax title and working with DEP, EPA and Mass Development to secure a majority of the funding to clean up and pave this site, we'll have short term parking for commuters during construction of the T garage and more importantly have this site cleaned up and available for commercial re-use following completion of the new T station. That's a two-fer we can all celebrate.

Courthouses

Maintaining a strong court presence in downtown Salem has certainly been a key focus of the city's over the last several years. In 2012, we welcomed the opening of the new J. Michael Ruane Judicial Complex, which consolidated District, Superior and Housing Courts within one new building. We are now working closely with state officials and members of our legislative delegation on the re-use of the former District and Superior Court buildings. Located on prime downtown parcels, they each bring their own unique challenges for adaptive re-use and we hope to partner with the state on a plan for disposition shortly.

Power Plant

Of course, the sale of the Power Plant site to Footprint Power and their plans to demolish the current plant and replace it with a cleaner, smaller state of the art natural gas fired facility will surely be a seminal moment in our history. It will provide the city with a once in a lifetime opportunity to transform the current 62 acre brown field site from a gated, off limits solely industrial facility to a mixed use parcel, housing a smaller industrial use with much greater allowance for public space and a re-activated port.

Thanks to the efforts of Rep. Keenan, ably aided by Sen. Berry, we have hold harmless protection on real estate tax impacts through 2019 while the site is redeveloped. In an effort to help gather consensus with respect to redevelopment of this site, I am pleased to announce the formation of a Power Plant Stakeholders Committee whose charge will be to outline concerns and provide input from those most impacted by any proposed redevelopment plans at this site. I anticipate holding a kick off meeting of this group later this month.

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Waterfront

When it comes to our waterfront, many of you have heard me remark that the harbor is our "Route 128" – long part of our economic fortunes, it remains so today. I am pleased that we have experienced another good year with regard to waterfront activity.

Up until seven years ago, "Salem Wharf" was just a name on a plan. However, today construction is well underway at Salem Wharf with

Phase 2 of improvements being worked on as we meet, the latest example of the continued renaissance along Salem's waterfront. The first 250' of the new pier and the first phase of dredging will be completed by Spring. We'll now have more dock space for the Salem Ferry and other waterborne travel, recreation and commercial vessels. The re-use of the Power Plant deep water dock will aid our efforts mightily to increase our waterfront presence and allow us to welcome cruise ships to Salem on a regular basis, a key boost to our tourism and hospitality industry.

Downtown Revitalization

With respect to downtown revitalization, would anyone in this room 7 years ago believe that we'd be winning awards for our shopping options? Probably not, but recognition has come. Our efforts to promote more year round shopping were rewarded earlier this year as downtown Salem was named "Best Retail Shopping District" for 2012 by the Retailers Association of Massachusetts. A feather in the cap for our City, with credit to the Chamber of Commerce, Salem Mainstreets and the Salem Redevelopment Authority-all of whom work together to promote a harmonious downtown investment environment.

We'll see that investment continuing both privately and publicly as the PEM is set to begin their 100+million dollar expansion plans and the city works on upgrades to the Essex St Pedestrian Mall. It wasn't that long ago that over a hundred of us packed the Hawthorne Hotel Ballroom to discuss downtown revitalization ideas - many of which today have been implemented. Now, as we manage construction activity that comes with new investment, it's also time to launch a re-invigorated shop local campaign aimed at reminding our residents of the many shopping options we offer downtown, as well as the extra boost to our small business economy that comes from spending dollars locally.

Parks

Greenspace improvements continue in our city as we are blessed with over 32 parks, playgrounds and open spaces. A complete renovation and environmental clean up of North Salem's Furlong Park and McGrath Park were completed just last year; renovations are underway currently at Splaine Park, and we hope to get started on updates to Bertram Field and Track later this year. The majority of these park projects would not have been possible without significant state grant dollars. I can't thank both our legislative delegation and the Patrick/Murray administration enough for all that they do to partner with our community. With the adoption of the CPA earlier this year, we hope to continue investing in our local parks and historic heritage with projects such as restoration of the Salem Common fence and initiatives at Winter Island and Old Town Hall, to name just a handful of worthy ideas.

Schools

With state and national attention turned to closing the achievement gap for all students, we continue to work hard at insuring better outcomes for all of our students. Chief among our goals is to set higher expectations for our students and staff, provide more informed use of data to aid classroom instruction and utilize additional time in school to provide intervention and tutoring. Just last week, the state gave the green light to our accelerated district improvement plan, signaling their belief that we are on the right path to see improvements in all of our schools. The future of our City is inextricably linked to the future of our public schools. I know we can not be a first class city without high quality schools and I am committed to ensuring that we provide the next generation of leaders with the educational opportunities they need to succeed.

While much has been accomplished across our great city, there is still much, much more to do....we continue to struggle with a final resolution for how best to clean up the city owned transfer station site. This site has been an albatross around the city's neck for decades and with a multi-million dollar clean up price tag and no ability to garner grants given the fact that the city was the responsible party for the contaminants on site, I am concerned that taxpayers may end up having to foot the bill without much of a benefit/payback from this site once cleaned up.

Our new Senior Center remains a top priority of mine and I am pushing the Gateway Center property owner for a start date on this important initiative. Our seniors deserve a new facility and this site can provide first class accommodations designed to meet both social and educational program needs of our aging population for generations to come.

Lastly, while the events of the past week have many of us focused on vote tallies and marathon meetings, I am more struck by what an active citizenry we have here in Salem who once again has risen to make their voices heard by writing, emailing and calling those of us fortunate enough to be in elective office. It's a blessing to live in a city where people care and most issues in front of the Council are issues that we must - and frankly do - work cooperatively on as they involve both the city's executive branch and legislative body. I have always seen my role as Mayor as that of a steward. The goal a simple one: to leave the City better than I found it. I know that each of you share that same objective and I hope together you can bridge whatever differences you may have with me or with one another to keep moving Salem forward.

You may be off to a rocky start in this Chamber, but let it end now as the best days of 2013 are surely ahead of us. I know we can work together and I'm committed to doing everything in my power to cooperate and get past this impasse.

I wish you and your families and all Salem residents a happy, healthy and prosperous New Year. I'm looking forward to what's ahead!