



**OFFICE OF MAYOR VIRG BERNERO**  
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LANSING, MI 48933

Mayor Virg Bernero's  
**2017 State of the City Address**  
*At Sparrow Hospital*

March 14, 2016

**“Lansing Strong!”**

Good evening and welcome.

What a pleasure to be here at Sparrow Hospital's new *Gathering Place at Sparrow*. What a beautiful addition to a great hospital!

Thanks to Sparrow Health System President and CEO Dennis Swan, Sparrow Hospital President and CEO Mark Brett, and the entire Sparrow team. You are an extraordinary partner and community asset.

And across the street? Wow! Talk about transforming the Michigan Avenue Corridor. Sparrow is doing it - in spectacular fashion. Thank you for helping us make “Lansing STRONG”.

In the front row tonight are some very special people I want to thank for being with me every step of the way: The love and light of my life - Teri Bernero - our amazing daughters, Kelly and Virginia, and, of course, my father, Guilio, who will turn 92 in May.

I want to say a heartfelt thank you to my team at City Hall - the members of my Cabinet and staff who manage our city departments with great skill and dedication. Many of them have been with me from the beginning. I invited them to join me on stage tonight, and I invite you to join me in thanking them for their extraordinary contributions to this amazing city.

Council colleagues, distinguished guests, friends and fellow citizens, I stand before you tonight to deliver my final State of the City Address.

I couldn't be prouder of what we have accomplished over the past 12 years. We fought our way through the worst economic crisis since the Great Depression. We made the tough decisions - and the strategic decisions - that helped put Lansing back on the map, and back on the path to prosperity.

Today, the state of our city is strong - "Lansing Strong" - and we are growing stronger by the day.

What makes us "Lansing Strong"?

A growing economy that provides opportunity for all.

During the recession, unemployment in Lansing peaked at more than 15 percent. Our jobless rate has now dropped to its lowest level in 15 years.

The Lansing Metro added 4,500 new jobs last year, led by solid growth in manufacturing, construction, education and health services.

Home values have increased every year since 2012, and last year, Nationwide Insurance ranked Metro Lansing as one of the Top Ten healthiest real estate markets in the nation.

In recent years we've been rated one of the top cities in the nation for young people and one of the Top Ten Best Cities for African Americans. A Brown University study found that we're one of the most integrated communities in America. That's "Lansing Strong" - Stronger Together!

Just last week, we were named one of the Top Ten Cities in America for New College Grads. The study measured affordability, relative salary, entry-level jobs, and local amenities.

By these measures, we not only beat Grand Rapids and Ann Arbor, we outranked Dallas, San Francisco, Boston, Atlanta, New York and Chicago!

We came in at Number Seven, just behind Mountain View, California - the home of Google - and just ahead of Beaverton, Oregon - the home of Nike. I like that placement!

That's Lansing we're talking about folks. My Lansing. Your Lansing. OUR Lansing - Heading in the right direction!

After decades of decline, our population is growing again - for three straight years, according to the US Census. That's no anomaly. That's no accident. That's called a trend.

In fact, a recent study by The Urban Institute predicts that Metro Lansing will have the highest absolute population growth in Michigan by 2030, with a projected gain of 77,000 people.

That's going to keep us "Lansing Strong".

The economic rebound and growth of our city didn't happen by accident. It happened because we relentlessly worked a strategic plan to bring back jobs and grow our population. We worked to diversify our economic base, attract new investment, leverage our assets, and encourage innovation and entrepreneurship.

We helped existing businesses grow and prosper. We engaged in economic hunting and a lot of economic gardening.

And it's working. Since 2006 we leveraged over \$2.4 BILLION in new investment that retained and created more than 12,000 jobs.

Taken together, these developments have had a transformational impact on our city and region.

We completed major projects with General Motors and their suppliers, the AF Group, Jackson National Life, Emergent Biosolutions and Blue Cross Blue Shield.

We worked with dozens of small businesses in every corner of the city to help them update their facilities, expand their output and add more employees.

We partnered with the private sector to save historic buildings and give them a new lease on life.

We helped turn a sleepy public soccer field into an amazing multi-sports facility - the Hope Sports Complex - that draws thousands of young people and their families to the South side.

But we can't rest on our past success. I've got nine more months and we're going to keep our foot on the gas every step of the way.

As we speak, new development projects are taking off across the city.

Momentum is on our side. The wind is at our back.

To quote Bob Trezise, the President and CEO of LEAP:

"The old Lansing is long gone. The new Lansing is a fast-emerging global community, and a leading environment for business and talent."

He's right, and I want to thank Bob and his incredible team at LEAP - the Lansing Area Economic Partnership - for driving this region's success. We couldn't have done it without the "Wizard of Jobs."

Bob Trezise has led the city's economic team and our growth for the last 12 years and I want to recognize that here tonight. He's won state and national awards. But he's never been officially recognized for his vital role in our transformation.

That's why tonight I am delighted to surprise Bob with the city's highest honor - The Key to the City.

You know what else Bob is right about? The importance of having a robust toolbox of economic incentives to help grow our local economy and create even more jobs.

Some people say we need to slow down or even put a stop to economic incentives like brownfields and OPRAs. They are wrong, and dangerously so.

Without incentives, we'd be left with contaminated sites that are so expensive to clean up no one will even bother.

We'd be left with upside-down, deteriorating buildings that are so expensive to repair no one will even try.

We'd be left empty-handed in the national and global competition for major employers, who make major investments and hire hundreds of people.

They can and will go elsewhere, where new investment is welcomed, where the business community is valued, and where the political leadership works in good faith with the people who build things and make things, and the people they hire to do it.

Imagine that. Business and labor working together to achieve our goals.

We have no choice but to work together. We are in a fierce competition among cities, between states, and - in this global economy - between countries. Companies can literally move anywhere in the world, and we have to compete or lose. It's that simple.

Last year the state of New York was running a TV ad here in Michigan. Perhaps you saw it. It said "Bring your business to New York and you won't pay any taxes at all." That's a tough act to follow, and it highlights the challenges we face in winning new investments that create new jobs here.

But winning we are.

Michigan Avenue is springing back to life, with nearly a half-billion dollars of new investment rocketing down the corridor, from SkyVue to Sparrow's new Cancer Center to the impactful work of the Brothers Gillespie.

REO Town is on a roll, sparked by the new BWL Cogeneration Plant, a vibrant new streetscape, and the ingenuity and sweat equity of a new generation of small business owners who are bringing REO Town back - one storefront at a time.

GM has invested more than a billion dollars in their facilities here, expanding Lansing Grand River and Lansing Delta, and making Lansing, Michigan the new home of the legendary, award-winning Chevy Camaro.

We helped drive a decade of renovation and rebirth of historic buildings across the city.

In our downtown, with committed private-sector partners, we saved the Christman Building, the Hollister Building, the Ranney Building, and the iconic Knapps Centre.

We worked with Pat Gillespie - the sole bidder on the project - to save the Marshall Street Armory.

With the help of great Lansing companies like Neogen and Niowave, we transformed historic neighborhood schools on Walnut Street, Cedar Street and Oak Park into new engines of growth and job creation.

Nearly a decade after the auto crisis, the old GM sites at Verlinden are finally getting a new lease on life. The redevelopment by Northpoint will create hundreds if not thousands of new jobs.

Stay tuned for more good news at that site soon.

Before the GM sites can be redeveloped, a costly environmental cleanup is required. That cleanup is happening as we speak because the national coalition of mayors I founded in 2008 - the MAC - secured more than \$700 million from Washington to create the RACER Trust.

RACER now owns all of the old GM properties in metro Lansing and they are spending more than \$18 million to prepare the sites for a productive new future.

To remain “Lansing Strong”, we have to continue working relentlessly to grow the city, in three important ways - our population, our economy and our tax base. If we are not growing, we are shrinking. If we are not moving forward, we are falling behind.

New housing is key, because it grows the city’s population. It strengthens our tax base. It supports strong neighborhoods, as renters often become buyers. And it puts money in city coffers to pay for services across the city.

When we make that new housing attractive to young people, we have a shot at retaining some of the youngsters who graduate from MSU, Davenport, LCC and Cooley Law School.

This is our future, and it’s working. Just ask Pat and Scott Gillespie. Those bright-colored apartments on the river? The Outfield apartments at the ballpark? The Midtown apartments on Michigan Avenue? All of them are filled to capacity. The market has spoken.

Pat recently broke ground on the second phase of MarketPlace on the riverfront, and his brother Scott is breathing new life into the East Side with two new mixed-use developments - the Venue in the 2000 block of Michigan Avenue and Provident Place just down the road.

SkyVue on Michigan is soaring toward completion at nine stories tall and \$90 million invested in Lansing. The project is being built with the help of more than a dozen Lansing area companies, providing good jobs for metro Lansing residents.

The Red Cedar Renaissance continues to inch closer to liftoff, promising a cleaner river and a new economic engine powering progress for generations to come.

As new market rate apartments are being built, I’m often asked: What about affordable housing? Not everyone can afford a high-end apartment, so what are we doing to create more affordable housing? My answer is: Not enough.

Ironically, some people claim we can’t afford more affordable housing. They are wrong. We have to step up as a city to make more affordable, quality housing available to all of our residents. It’s a key part of building a strong Lansing.

“Lansing Strong” is defined, above all, by our people, and especially by our rich diversity. Lansing is the quintessential melting pot, and immigrants and refugees from around the world strengthen the fabric of our city and our economy. More than 50 languages are spoken by the children who attend Lansing schools.

Kudos to Lansing Schools Superintendent Yvonne Camaal Canul and her team, who continue to prove that our diversity is to be celebrated and not feared. It’s our differences that make us “Lansing Strong”.

But we've been challenged in recent months by executive actions in Washington.

I believe the words cast in bronze at the base of the Statue of Liberty ring as loud and clear today as they did 100 years ago: "Give me your tired, your poor, your huddled masses yearning to breathe free..."

This is the American creed - it's who we are - and we must honor our commitment to welcome people from around the world who seek freedom and a safe haven from persecution and violence.

My father came here as an immigrant, as many of your ancestors did, to make a new life for his family in the Land of Promise, the United States of America. He worked hard his entire life to provide for his family.

The immigrants and refugees in our community today work just as hard, give just as much, care for their families and this country just as much. They deserve our love and support, not hatred, scorn and stigma - spewed from the Oval Office and spread like a cancer across our land.

Make no mistake: Our national security will always come first. But let's be honest: The federal government has practiced extreme vetting for years. It's not easy to take refuge in this country; it takes years to get approval.

But once you do, I'm here to tell you: You are welcome in Lansing, Michigan. You are safe in Lansing, Michigan.

Amidst all the turmoil, division and hatred, let's not take our eyes off the prize - a truly equitable and just society that honors and respects and values everyone, regardless of race, sex, religion, ethnicity, national origin, sexual preference or gender identity.

Instead of looking at our differences with suspicion and fear, let us look at them with mutual respect and openness. People of all faiths, let us commit together that we will redouble our efforts to treat one another with kindness.

Tonight I want to underscore this idea of being kind to one another, because it's more than just a pliantry, it's an antidote. In recent months a group of community leaders has quietly convened to think deeply about what it means to be A CITY OF KINDNESS.

We agreed that we should start by calling ourselves A CITY OF KINDNESS to remind us who we are, and to inspire acts of kindness all across our city. You will be hearing more and more about this initiative in the months and I hope years ahead.

In the words of Dr. Martin Luther King, "hate cannot drive out hate: only love can do that."

So let us celebrate together the rich fabric of our diversity. Let us work shoulder-to-shoulder to secure a bright and prosperous future that leaves no one behind. Let us be filled with hope, with a sense of our shared humanity, and our shared destiny.

Because we are, indeed, in this together: as a city and as a region.

We know that a strong region needs a strong city at its core, and a strong city needs a strong downtown at its core. The capital city needs to be the hub of the wheel, not the hole in the donut.

Remember: It's not a choice between downtown or the neighborhoods. A strong city needs both, and that's why we invest in both. We know that safe neighborhoods and good schools are the building blocks of a strong and safe city.

And Lansing is, indeed, a safe city. According to the FBI Uniform Crime Reports, violent crime is down nearly 20 percent over the last two decades and property crime is down nearly 60 percent. On a per capita basis - to account for changes in the size of our population - Lansing's crime rate has been cut in half since 1996.

We can do even better, and we will. Our police department is now at full strength, while we continue to work aggressively to overcome the challenges of hiring new police officers.

Reducing crime even further will require even more community engagement. It's about getting to know your neighbors and keeping an eye out for each other. It's about partnering with LPD to share information and working together to make criminals unwelcome in any neighborhood.

We are blessed with a great police department, and an innovative and tireless leader in Chief Mike Yankowski. Mike has implemented high-level data analytics to target hotspots for crime.

He deployed body cameras to enhance accountability for everyone - police officers and the public. Mike beefed up our community policing program, and helped launch the Violent Crime Impact team, a regional, multi-agency task force that hunts down bad actors and brings them to justice.

Our fire department is among the finest in the state and nation. When you call 9-1-1, rest assured that the first responders who come to your aid are the best in the business. And, I'm proud to say we just named the first female battalion chief in our fire department's 160-year history.

Please join me in thanking all of our first responders for putting their own lives on the line to protect ours. Your sacrifices and those of your families are deeply appreciated. Please know that you have the respect, admiration and love of a grateful city.

"Lansing Strong" means strong neighborhoods, with quality, affordable housing and a city government that is serious about reducing blight.

And we are. Our strong partnership with the Ingham County Land Bank has resulted in hundreds of abandoned homes being demolished and dozens more rehabilitated. These efforts are stabilizing property values, reducing the burden on our first responders, and improving the quality of life in our neighborhoods.

I'm very proud of my Administration's efforts to strengthen the bonds between neighbors through our Block-by-Block neighborhood wellness initiative.

Bob Johnson and Andi Crawford are doing a great job leading B3, bringing neighbors together to get them directly involved in solving the challenges and creating new opportunities to make their neighborhood even stronger.

Our commitment to strong neighborhoods isn't just about housing and public safety. It's also about the people who live there, making sure they have access to the most important necessities of life, like clean and safe drinking water.

More than a dozen years ago, as Lansing's state senator, I encouraged the Board of Water and Light to remove all the lead pipes that carry drinking water to Lansing families. They agreed.

This past December, on one of the coldest days of the winter, we celebrated like it was a summer day when we removed the last active lead service line in the city of Lansing. Thanks to this effort, Lansing families will never have to worry about their children being poisoned by the water they drink.

I couldn't be prouder of General Manager Dick Peffley for bringing the lead pipe project over the finish line, and for developing a smart and sensible plan for Lansing's long-term energy security. BWL's Lansing Energy Tomorrow plan, created with help from Lansing residents, strengthens our commitment to renewable energy and to rebuilding our critical energy infrastructure.

BWL will be the cleanest, greenest utility in Michigan, with 40 percent clean energy by 2030.

Soon the BWL will break ground on the new Central Substation that will provide reliable power to the downtown area. In the near future, BWL will build a new, natural gas-fired power station that will provide the baseload capacity needed to power Lansing for generations to come.

As a result, the coal-fired Eckert plant will close on schedule, and I am tremendously excited that we already have interested prospects for redeveloping Eckert. We proved it can be done with the extraordinary transformation of the Ottawa Power Station and stay tuned for what comes next.

"Lansing Strong" also means a city government with stable finances and the ability to weather the next economic storm. I'm proud to say that we will begin our next budget year with a surplus for the fourth straight year.

But we must continue to address the challenge of our long-term obligations for retiree pensions and health benefits. We recently hired a team of experts to give us specific options for resolving our legacy costs in a way that is fair to retirees and affordable for Lansing taxpayers. Their report will be delivered in the next 30 days.

I have tasked our Financial Health Team, led by former Mayor Dave Hollister, with carefully reviewing the findings of this report and making a recommendation for action to me and the City Council.

We are looking twenty and thirty years down the road to lay the foundation for a financially strong city. We are also planning the future of key city facilities that will serve as the foundation of our city government for the next fifty years.

My administration will soon release a national RFP for the redevelopment of the current City Hall site. It is one of the most valuable parcels of land downtown, but it is in a bad location for our customers. After more than 50 years of loyal service, the building is horribly outdated. It is a sinkhole for costly repairs. We estimate it will cost upwards of \$50 million to bring it up to modern standards.



At the same time, we will request proposals for a new City Hall, which we believe can be done for the same or less than fixing the existing City Hall. We will look at all of our options to ensure we find the best location possible for serving our customers - and the best deal possible for city taxpayers.

Tonight I want to propose that we pay special tribute to someone who sat in my seat at City Hall for nearly a decade.

Mayor David Hollister led the way in transforming Michigan Avenue from a seedy strip of blight to a going concern. He built the new home of the Lansing Lugnuts, an investment we recently renewed with an 11 million dollar update to Cooley Law School Stadium.

Mayor Hollister forged and led the community partnership that kept GM in Lansing. He tendered regional partnerships that share the benefits of new investment and new jobs. He challenged us to think about Lansing as a “world class city.”

David Hollister laid the foundation. Today, we are building “Lansing Strong” on top of that foundation.

For these reasons, and for his lifetime of service to the people of Lansing and the State of Michigan, I will propose to City Council that we name the current and future home of our city government the David C. Hollister City Hall.

David, thanks for your wisdom, your guidance, and your incalculable contributions to making “Lansing Strong”.

No one knows better than Dave that a strong city is the center of a strong region, and we are stronger when we work together and stand together.

One of my first major initiatives as your mayor was regionalizing Potter Park Zoo. It has been an unqualified success.

With our regional partners, we built a new consolidated 9-1-1 dispatch center that now serves the entire county.

At my urging, Ingham County stepped up again and proposed a regional millage for our Trails and Parks that was overwhelmingly approved by voters to maintain and expand the Lansing River Trail.

In fact, every time metro Lansing voters have been asked to weigh in on regionalism, they have said YES - emphatically - to the Zoo, to CATA, to regional libraries, and to the Ingham Health Plan.

The trails and parks millage is the latest resounding YES from area voters, and it is already paying dividends for Lansing, with millions of dollars being invested in our nationally-recognized River Trail. In the future, the millage will help pave the way for even more trails and connections.

Lansing and East Lansing continue to share a fire chief, and we are moving toward creating a new regional fire authority that would save money and save lives.

These are all tremendous steps forward and I commend each of our regional partners for making it happen. But we can and must go even further as a region.

Tonight I recommend to this city's future leaders that they pursue a bold and visionary plan to establish a true foundation for regional governance, a place to start thinking and acting like one region, instead of perpetual, parochial siloes.

No community is an island. We sink or swim as one region.

The governments of metro Lansing should come together to form a metropolitan council. All of our existing governments would maintain their independence, but we would all come together as a region, appointing one or more representatives to the Metro Council.

What would this council do? My vision is to administer regional funding for public safety, infrastructure, transit and economic development.

We all know the model for state funding of municipal governments is broken. This city alone has lost nearly \$100 million in state shared revenues over the past 12 years and these dollars are not coming back. Similar losses have impacted our neighbors.

Our ability to generate new revenues is extremely limited. The state has capped the growth of property taxes, and strictly limited what we can levy for an income tax.

The most promising idea for generating the revenues needed to fix our infrastructure, pay for public safety and drive economic development is a regional sales tax. The sales tax would have to be authorized by the state legislature and approved by local voters across the region. The Metro Council would be empowered to decide how to allocate it.

The expenditures would reflect regional priorities, not parochial ones. It would encourage us to think about what we have in common, rather than focusing on our differences. And, if we are smart in how we invest those funds, we will grow the pie, rather than continuing to compete with each other to get a bigger share of a shrinking pie.

Let's be honest: Taxpayers are going to have to ultimately foot the bill for fixing our infrastructure and resolving unfunded liabilities. If the state won't do it, we have to do it ourselves. We must lift ourselves by the bootstraps.

Nowhere is this more evident than the ongoing fiasco known as Michigan roads. Another Spring is upon us, and another round of freezing and thawing. The result is pothole devastation and damage to our vehicles.

Like every Lansing resident, I am beyond frustrated with the condition of our local roads. And I am beyond frustrated with our State Legislature, which continues to ignore the problem.

City engineers recently updated our estimate of what it would take to bring city streets up to just average condition. That amount is now a quarter BILLION dollars. That's more than we spend to run our entire city government for a year.

Where is that money going to come from? And when is it coming?

The so-called “road funding fix” approved by the Legislature two years ago will bring us about \$6 million more per year when it is fully phased in by 2022. That’s five years from now. I shudder to think what our roads and our cars will look like by then. I’m sure you do as well.

And there is not even a hint of action in the Legislature to do anything about it. In fact, just a few weeks ago our lawmakers were seriously considering eliminating the state income tax, a ridiculous and dangerous scheme that would have cost the state billions. Clearly they are not even remotely interested in fixing our infrastructure.

To be “Lansing Strong”, we also have to invest in our human capital.

And we are, with terrific programs like ITEC - the Information Technology Empowerment Center. ITEC is teaching youngsters about science and technology in exciting new ways, and they just rolled out an amazing mobile learning lab for kids, in partnership with Kellie Dean, one of our leading citizens.

Our Financial Empowerment Center is helping people learn how to manage and stabilize their finances. It’s getting results.

In the last four years the FEC has helped 35 hundred clients reduce their debt by 6 million dollars and increase their savings by more than a half-million dollars.

I’m especially proud of their work with parolees who are transitioning back to society. Our financial counseling program for re-entry citizens was named one of the most innovative city initiatives in the world.

Kudos to Amber Paxton and her team for leading the way and giving hope and strength to so many Lansing families.

We are “Lansing Strong” because we go the extra mile to help the least among us, to make sure our most vulnerable citizens have food to eat and a warm place to sleep.

Under the supervision of our in-house miracle worker, Dr. Joan Jackson Johnson, we spend more than \$2 million each year helping to house the homeless and feed the hungry.

“Triple-J” is an angel on Earth, and she was recently and rightly inducted into the Michigan Women’s Hall of Fame. I want to say thank you, Joan, for all you do.

When we help our most vulnerable citizens, that’s “Lansing Strong”.

My friends, as we enter the final year of my final term as your mayor, Lansing is on the right track and moving in the right direction.

I am proud that I will leave my successor a city that is much stronger than when I took office 12 years ago. We are hitting on all cylinders and driving toward a more prosperous future.

Don’t let anyone tell you otherwise: We are “Lansing Strong”.

As I enter the home stretch, I want to express my deep gratitude to everyone who has been part of our progress.

We've come a long way, but there is still much work to be done. It will require each of us pitching in - with our unique talents - to keep "Lansing Strong".

I began my administration a dozen years ago by asking you to "Believe in Lansing". Tonight, I renew that call.

Believe in the strength that we have when we put our shoulders to the wheel.

Believe in our people and the values we share.

Believe in our future prospects to be an even greater city and region than we are today.

I believe in all of you, and I thank you for believing in me for all these years.

Together, we are indeed "Lansing Strong".

Thank you, good night, God bless you and God bless the amazing City of Lansing!

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