

Mayor's State of the City Address
January 30, 2020

Opening Statement

Good evening Ladies and Gentlemen! Bienvenidos! Thank you for joining us this evening...

My fellow Laredoans, we begin this new decade with clear indicators of continued economic growth and prosperity for all our residents.

Yes, our common vision is attaining the "next level," where all of us may have reasonable opportunities to financially provide for ourselves and our families; and to be able to enjoy a quality of life of our choosing, with a variety of amenities that are pleasing, wholesome and affordable.

Ladies and gentlemen, we have made significant progress in this regard. As you know, in the recent past (September 2017) we instituted a city-wide comprehensive plan, referred to as "Viva Laredo." This is our roadmap to attaining a more prosperous, livable and affordable city for all of us.

The Comprehensive Plan addresses every aspect of city planning and future development from incentivizing private capital investment to education and skills training, retention of our young people, building up our infrastructure, public health and safety, transit and mobility, downtown

mixed use and the revival of inner city housing, entertainment, quality of life issues and so much more.

I encourage you to please familiarize yourselves with this document by visiting the City's Viva Laredo website.

I, Council, and management, are of the firm belief and resolve that with your help and participation, we will meet any and all challenges, together, side by side, engaging and dialoging; and approaching new governance in a manner that is more open, more transparent and more accountable to you, the public.

We value your trust and confidence, and as public servants, we acknowledge that such trust and confidence has to be earned each and every day. Thank you for the honor and privilege of serving you.

Ladies and Gentlemen, this is our city, our home. Let's Celebrate it and let's continue to work together to build a better Laredo!

Let's begin with the City's Organizational Changes:

Currently at the helm of our City are Ms. Rosario Cabello and Mr. Robert Eads, who were appointed by City Council to serve as Co-interim City Managers pending the ongoing selection process of a new City Manager. We congratulate both for their capable and responsible leadership.

We anticipate that City Council will be able to make a selection in the very near future.

Our gratitude goes out to the members of the City Manager Search Ad-Hoc Committee, who have volunteered countless hours in assisting Council and staff in the recruitment and selection process. Thank you.

Also, in the past few months, 12 well-qualified individuals, with innovative governing perspectives, were appointed by our Managers to various Department Director positions. We too congratulate them.

We continue with the City's Financial Strength.

Ladies and Gentlemen, I am pleased to announce that our city's financial strength remains financially viable and strong as demonstrated by three factors:

- 1) The City's excellent bond ratings, as offered by Moody's and Standard & Poor's;
- 2) The City's healthy fund balance, of over \$49 million dollars; and,
- 3) The City's overall recognized achievement in financial reporting and budgeting.

The FY 2019-2020 Consolidated Annual Budget totals a little over \$724 million, including planned capital improvements, and with a general fund budget of \$206 million dollars.

Furthermore, this is the 16th consecutive year that there is no increase to the City's property tax rate of .634 cents per \$100 assessed valuation.

We have good news regarding Laredo's Economy!

Economic indicators for Laredo point to a strong and healthy economy.

Unemployment is at 3.5% and job growth increased 2.37% over last year, with 2,500 new jobs;

Over the last 5 years, there has been a 7% increase in job growth; adding more than 7,000 jobs to the local economy, in almost every sector, but primarily in logistics, professional services, and government.

Laredo's median household income has improved 20% – from \$39,408 in 2014 to \$47,478 in 2019. That's a substantial increase.

It's better than McAllen (\$45K) and almost on par with San Antonio (\$49K). However, we are still below Texas' median household income of \$60K.

The City's 1% sales tax revenue is up 4.32% from prior year, to the tune of over \$34.6 million dollars; and hotel-motel occupancy tax collections have increased by 3%.

As a further measure of Laredo's growth, last fiscal year, a total of 369 commercial building permits were issued, representing an increase of 10.6%, in valuations, totaling over \$207 million dollars of investment.

The majority of the larger commercial developments occurred in the North and Northwest sectors of the City; and are directly attributed to: trade and transportation, health care, and service industries.

Residential permits totaled 3,970 with valuations topping over \$170 million.

Ongoing growth and development is further evidenced by city staff's inspection of 38 new subdivisions which encompassed 903 acres with an estimated \$47.3 million dollars in infrastructure costs.

Inner City development within Council Districts 1, 2, 3, 4 and 8 continues to be incentivized. This past year, 31 properties were assisted through the Neighborhood Empowerment Zone Program which waives building permit fees and provides for municipal property tax abatements. Improvements represented a private investment of over \$29.8 million dollars.

Laredo's Foundation Lays the Groundwork for Future Growth

Ladies and Gentlemen, Laredo's positive outlook, rests squarely on improving trade and commerce through the new USMCA, which means further improving our strong relationship with Mexico, our neighbor.

A warm cordial salute to *Presidente Municipal* of Nuevo Laredo, mi amigo y hermano, Enrique Rivas Cuellar, and his colleagues, present here tonight...

A strong and secure Mexico, means a strong and secure Laredo, it means a strong and secure border, state, and nation.

We must insure that our existing businesses remain here, and that new ones want to move in, all with the willingness to invest and create meaningful jobs. It requires strengthening existing economic engines, and also diversifying, such as investing more in our health related enterprises, expanding our airport services to provide flight and mechanic training schools, and yes, capturing more of the light manufacturing enterprises, such as (Medline), an international company, which has been a model and has had much success in our city.

It requires building a more educated and skilled labor force, as supported by local institutions. Thank you to our school districts, Laredo College, TAMIU, Texas Workforce Solutions, the private schools, and so many others, for stepping up and affording our residents, educational and training opportunities.

Just as important, we, City government, must also step up with construction and replacement of aging utility and road infrastructure, ensuring public health and safety, and providing for an improved quality of life for all Laredo residents, including the poor and homeless.

Although a difficult decision, City Council recently approved and adopted, increased water and sewer rates. This was necessary in order to provide Laredo residents with sustainable water and wastewater services to meet the City's current and future needs, growth and development.

Over the next five years, City residents will benefit from approximately \$179 million in improvements, 74% of which will be used to improve existing infrastructure within the inner city, and the remaining 26% to support development. In this regard, developer costs are never subsidized by the City.

Furthermore, pursuant to the Viva Laredo Plan, this past year, the ReCode Laredo Project was initiated, which entails updating the City's existing Land Development Code that governs how land and buildings are developed and constructed in the City. This codification process requires extensive stakeholder meetings, with an anticipated completion date in early 2021.

The City is also moving forward with plans to purchase a new landfill site. Negotiations are underway to purchase 400 acres of landfill, giving the city almost 100 years of waste disposal capacity.

[PAUSE – TAKE A SIP OF WATER]

As we know, Laredo continues to rely heavily on Trade, Transportation, Logistics, Warehousing, Cold storage facilities and other related enterprises, to fuel its economy...

Port Laredo is recognized as the largest inland port, and the second-ranked port among more than 450 U.S. airport, seaports and border crossings, with over \$235 billion in trade value.

To maintain the City's position in world trade, Port Laredo at the World Trade Bridge, is moving forward with the construction of the Free and Secure Trade (FAST) lanes, and the widening of exit lanes onto I-69. These initiatives will improve operational efficiencies and provide increased fluidity of traffic, for empty trucks and CT-PACT cargo.

Similarly, the Laredo international Airport continues to be the only airport on the U.S.-Mexico border with 24/7 pre-inspections processing services, provided jointly by both U.S. and Mexican Customs. Air cargo weight totaled over 685 million pounds, with exports to 67 countries, and imports from 35 countries.

The City continues to make improvements to its Cargo Apron, most recently to the tune of \$22.2 million, supported by the efforts of Congressman Henry Cuellar, with grant funding made available by the U.S. Federal Aviation Administration.

Ladies and Gentlemen, Aeromar has landed!... Come April or early May of this year, Aeromar will be providing direct, non-stop air passenger service to and from Mexico City. Unquestionably, this is a boon for Laredo's economy, in terms of leisure travel and support of the trade industry.

Furthermore, ladies and gentlemen, I can attest, that President Trump did sign, the United States-Mexico-Canada Agreement, because I was there yesterday! I am honored to have been invited to the White House, to witness such a historic signing. This is great news for our city.

We anticipate USMCA will increase jobs, facilitate infrastructure, create specialization, and continue to develop markets with fair and reasonable pricing on goods and services for consumers. This translates to more continued growth, and solidifies Port Laredo's role in international trade.

I, and many other city and business leaders, fought hard to make sure our Washington representatives and the White House understood the importance of this agreement, not only for the border region, but for all three countries. I wish to recognize the efforts of Senators John Cornyn and Ted Cruz, and Congressman Henry Cuellar for supporting this legislation.

"No border wall" has been the City's position for years, and continues to be. We are a safe community, and we are of the opinion that there is no National Emergency on the Southern Border. The actions by the federal government undermines the long and cherished social and economic ties that bind U.S. and Mexico border communities, which are so intertwined in so many ways. It endangers the Rio Grande River, our primary source of drinking water; and poses a risk to the environment by exempting laws, and a risk to our public safety, and cultural heritage.

My special thanks to Tricia Cortez, Melissa Cigarroa and RGIS members, and others, for engaging and being a strong voice in these matters.

Ladies and Gentlemen, Laredo will be receiving from TxDOT an unprecedented funding award of more than \$220 million dollars. These monies will fund the long awaited upgrades to U.S. 59/ Loop 20, from International Blvd. to US 59, along with the widening of portions of SH 359. Thank you TxDot, MPO members, and all those in the private industry, who have been advocating for years, for these state and federal transportation funds.

Let's talk about Public Safety. . . I want to give a shout out to our police officers and fire fighters, and to all law enforcement (local, county, state, and federal), thank you, for your care and professionalism, great job!

Public Safety remains a top priority. In the last 10 years, overall crimes against persons have decreased 41%, and overall crimes against property have decreased 54%. In fact, Laredo was named the safest City in Texas for auto thefts by the National Insurance Crime Bureau.

We now have a Real-Time Crime Center which represents a \$1.4 million investment in equipment, software and services. The Center serves as a command post for citywide cameras, license plate readers and other existing and future technology, that can be utilized to obtain instant real time information, to help identify criminal patterns and stop emerging crime.

In terms of the City's Fire Department, the City continues to make improvements to its fire stations, and make capital purchases to update equipment. Moreover, forty three (43) cadets recently graduated from the

City's Fire Academy, which helps to ensure adequate personnel and reliable fire and emergency response.

The Importance of Housing Cannot Be Understated...

The City continues to work in partnership with the Laredo Housing Authority, that is, Mr. Jose Ceballos and his group of caring individuals, to promote affordable housing and with other local service organizations including Bethany House, Casa Misericordia, Catholic Social Services, Serving Children and Adults in Need, and Holding Institute, who daily provide emergency housing assistance to homeless individuals and families.

Of great importance is making available safe and affordable housing for the elderly, our most vulnerable population. One example is the ongoing conversion of a city-owned facility at 820 Convent to elderly rental housing that will provide for 15 new affordable apartments as funded through a HUD program.

Notably, 45 elderly housing owner occupied, and rental units, were rehabbed or constructed this past year.

Let's talk Parks, Recreation and Library services...

The City's inventory of recreational facilities and programs continues to grow, to better address the needs and interests of persons of all age groups, including persons with special needs.

The City completed over \$4.6 million in park improvements this last year, with a special emphasis placed on enhancing neighborhood parks, and hike and bike trails.

On a greater scale, the City is moving forward with plans to construct a Sports Complex in South Laredo, and a Water park adjacent to Unitrade Stadium, both of which are proposed to be funded through the Sports Venue Tax.

Our public library and branch libraries continue to inspire, entertain, and educate community residents, offering over 3,400 programs which captured the literary and imaginative interests of an estimated 70,000 children, teens, and adults, throughout the year.

Public Health is at the core of maintaining a livable community...

The City's Health Department provided critical preventive, primary care, and behavioral and diagnostic health care services, to over 85,000 persons, and continues to enforce city code ordinances to maintain our public health.

This past year, public health officials put forth efforts to establish a city/county detoxification facility, to address and combat addiction. Staff also initiated efforts to establish a partnership with UT Health San Antonio, for a monthly aging clinic, to address dementia and other neurological and aging diseases.

Reducing exposure to environmental risk factors is of equal importance. The City continues to increase access to safe water by educating residents,

on practices that reduce groundwater pollution, including the proper disposal of medicines, chemicals, batteries, and other hazardous materials.

Equally deserving of proper care is the City's animal population.

Concerted operational changes and facility improvements were made to the City's Animal Care Center including changes in leadership, increased staffing, creation of a dedicated cat facility, and implementation of winterization improvements, to protect pets from cold weather.

Building Community Pride goes hand in hand with Building a Better Laredo!

In support of efforts to beautify Laredo, and further promote a healthy living environment, the City has embarked on a Civic Pride Campaign. Efforts include: renewal of the Keep Laredo Beautiful Organization, and supporting activities; the implementation of a dedicated Tire Round Up Crew to collect tires, which have been abandoned on public right of ways; Continuation of the Bag It Green Campaign, which encourages the use of recyclable bags; and, the initiation of a Bulky Item Pick-Up Service. Collection of bulky items during the months of November and December was well received by the community, and contributed to the collection of over 1,100 tons of refuse.

Before I continue, and given our time limitations tonight, let me also give a shout out to all those city departments and City employees that have not been specifically mentioned. Thank you, we value your work and dedication to our City.

I also want to send a high and gracious salute to all of our veterans and their families. Thanks for your sacrifice and service to our country.

Most especially, a big shout out to my loving and supporting wife, thank you for always standing beside me.

Ladies and Gentlemen, tonight, I have touched on the general economic health of the City, and some of the more prominent initiatives and programs that the City is undertaking. I believe that as a community we are making significant strides, in building a more prosperous, livable, affordable and stronger Laredo.

However, there are challenges that cannot be ignored, one in particular, is the pervasive incidence of poverty.

I am pleased to say that poverty in Laredo is decreasing, thanks to the efforts of many. Based on the 2018 American Community Survey estimate (using US Census data), our poverty rate is approximately 25.9%, compared to the previous 2013-2017 five year estimate of 30.6%. Despite such marked reduction, our community still has approximately 66,000 persons living in poverty. This is unacceptable. . . .

There is still much work to do, to drastically reduce that number. I propose, that it is not one thing, but a cumulative, amalgamation of efforts that are required. We must:

- Identify the poor; by giving a face, and location, to those living in poverty, so that we may better understand the factors which contribute

to their poverty; this, we have already done so, through a Bloomberg-Harvard study; such study identified, a single mother, having to raise 2 or 3 children as Laredo's face of poverty. Through the efforts of LC and others, adult education courses, accessible training resources, are and continue to be made available, for self-improvement.

- We must create job opportunities, which pay a living wage, with benefits;
- We must continue to raise the educational and skill levels of the labor force;
- We must provide accessible and affordable health care; and affordable housing (transitional, as well a permanent housing);
- We must support counseling and training systems which strengthen good, wholesome, behavioral values, and the family unit; and,
- Yes, we must decrease the cost of living, where possible.

The City of Laredo is committed, to doing its part. This past year, City Council made a concerted effort to raise the wages of lower tier positions, ensuring a starting wage of \$12.00 per hour. I encourage other employers to do the same, when possible.

I ask that you join me and City Council in forging an even brighter future for Laredo. Please participate, get engaged in city affairs. We need you. It takes all us working together to create positive and effective change.

Thank you for your time and attention this evening, ladies and gentlemen.

LET'S CELEBRATE LAREDO! VIVA LAREDO!...

DON'T GO AWAY! There is more to come. I invite you to remain and join me as we continue this evening with a short question and answer session.