

*STATE OF THE CITY ADDRESS
Mayor Patrick Madden
Tuesday, February 5th, 2019*

Good evening and thank you for joining us for the 2019 State of the City address.

I would like to thank Dr. Ames and the Sage Colleges for generously hosting us tonight. The Sage Colleges regularly provides their facilities for civic gatherings in Troy and I am most grateful for that and their long standing participation in the Troy community. They are wonderful stewards of this historic campus which is a jewel in our City's crown. Thank you Dr. Ames.

Let me begin by acknowledging our elected officials and other dignitaries that have joined us this evening.

Regardless of party these people have made the sacrifice to serve. They put in long hours, they miss family gatherings, they wrestle with difficult decisions, and they seldom make more than about 50% of the people happy at any given time.

I offer my gratitude to each and every one of them. I am grateful for the opportunity to work with them in service to the residents of Troy. Thank you all very much.

I'd also like to thank each of you in attendance. As I look out across the room I see a good many familiar faces from dozens of meetings across the City. Thank you for showing up....for investing your time in our City. So many of you have been thoughtfully engaged. Your participation is making a difference in your community.

Your presence here this evening is a testament to the health and vitality of our community. I hope you will all continue your participation in the years to come.

The Annual State of the City Address is an opportunity to celebrate our City's successes and to speak about my administration's significant fiscal and administrative objectives for the coming year.

I assumed office three years ago with a clear understanding of the financial difficulties facing our City. In that moment we understood that confronting these tasks would not be easy, and it has not been. It has consumed a great amount of time and energy while generating much debate and discussion. In the end we have made considerable progress.

Over the past three years I have spoken often regarding the precarious state of our City's finances, because without a solid financial foundation all other efforts are for naught. In 2018, we continued our rigid discipline around spending and budgeting:

- We passed our third consecutive structurally balanced budget,*
- Fiscal Year 2017 produced a modest surplus, adding strength to our fiscal position and we expect the same when 2018 numbers are finalized,*
- We have reconciled all legacy capital accounts and continue with long overdue account clean up,*
- We responsibly paid all of our bills when due. We do not defer payments creating burdens on those who follow us.*

As a result:

- Moody's improved our credit rating outlook again in 2018 from stable to positive, that is the second increase they have given the City in two years,*
- Our fiscal stress rating as calculated by the NYS Comptroller decreased again – the third time in three years, we are now in the lowest tier of risk for fiscal stress,*
- In each of the past three years we have added modestly to our reserves and while they still remain thin they are the strongest they've been since 2009,*
- And just last week, Moody's rated the Bond Anticipation Notes that we are issuing this week at a MIG 1 level – the highest grade for municipal notes!*

These achievements are the result of our commitment to fiscal discipline and realistic fact based budgeting. Though we are not out of the woods yet we are on the right path and headed in the right direction. The practice of kicking the can down the road has stopped. We are acting in the best interests of not only the taxpayers of today, but also in the best interest of future generations who will inherit this City from us. I want to thank our Deputy Comptroller Andy Piotrowski and my Deputy Mayor Monica Kurzejeski for their relentless pursuit of fiscal integrity.

While fiscal matters have been and will continue to be a significant driver of my agenda we also have a good deal to look back on and be proud of in a other areas, as well. During the last three years, by working together, we have driven tremendous progress in our city.

Infrastructure

When it comes to infrastructure, the City of Troy today is the beneficiary of the foresight and investment of those who came before us. The infrastructure investments

of the preceding generations benefit us on a daily basis. Whether by choice or by circumstance, for too long we have neglected those assets.

This neglect has been costly and embarrassing. Prime examples include our pools, our parks, our former City Hall and now the Knick Ice Skating Rink. The truth is, most City owned assets show signs of deferred maintenance to varying degrees. This neglect has passed the buck from generation to generation with no quick or easy solution. Although we cannot correct all of these omissions overnight we have set ourselves on a path of deliberate improvements. In 2018 we continued these steps. We have:

- Replaced two sewer pump stations,*
- Replaced a water line running under the Poestenkill Creek that serves most of the Eastside, Poestenkill and North Greenbush,*
- Completed the engineering for the replacement of our water transmission lines that transport all of our water from our Tomhannock Reservoir to our water treatment plant. We also secured a \$10M grant to offset a portion of the cost of that project,*
- We completed the stabilization of the embankment on Brunswick Road damaged by Hurricane Irene,*
- Began construction on the Seawall Flood Mitigation Project,*
- Continued the sidewalk and curb replacement project completing over a mile of sidewalks, curbing, crosswalks and new street lighting,*
- Completed a storm water separation project on Burdett Avenue which will lead to a reduction of instances in which heavy storms cause overflows of sewage into the Hudson River,*
- Installed 4 sewer meeting pits to monitor infiltration of storm water from surrounding towns into our sewer system. The data generated will inform future steps we can take to reduce sewage overflows into the Hudson River, and*
- Continued our street paving program laying over 16,000 tons of payment in 2018 alone.*

This year we will:

- Complete the \$24.3M Seawall Flood Mitigation project (weather permitting),*
- And following on the heels of that we will begin construction on the New Marina,*
- Begin Construction on the long awaited South Troy Industrial Roadway,*
- Complete the relining of the compromised Campbell Ave sewer line,*

- *Complete the renovation of the South Troy Pool,*
- *Begin the replacement of 5 miles of our water transmission lines from the Tomhannock Reservoir, this project will take 18 to 24 months to complete,*
- *Begin the restoration of 3 of our 4 water tanks including the installation of aeration systems to improve water quality in the tanks,*
- *Install another storm water separation system at 124th Street, further reducing sewage overflows into the Hudson,*
- *Our CDBG funded sidewalk replacement program will move into South Troy this spring, and*
- *Complete the demolition of the long vacant Leonard Hospital on New Turnpike Road. Planning will begin this year for:*

- *The replacement of the Campbell Avenue bridge over the Wynantskill Creek, we secured a \$3.6M Bridge NY grant for this project,*
- *The replacement of the Knickerbacker Park Pool,*
- *And the replacement of the Knick Ice Rink,*
- *The replacement of the Tibbits Avenue water tank which is of insufficient size for today's demands and has proven to be very expensive to maintain,*
- *The renovation or replacement of the Lansingburgh Firehouse, and*
- *The future of the Mount Ida Dam,*

Infrastructure improvements are often not all that visible to the general public. They don't typically garner a great deal of attention – though their failure certainly does. Nonetheless, they are essential to preserve our assets and ensure the continued reliability of services and quality of life to our residents.

Neighborhoods

While our bustling downtown continues to be the envy of upstate New York, it is Troy's diverse neighborhoods that truly define our community. The City boasts a wide variety of neighborhoods. From dense urban streetscapes to single family homes with generous yards, Troy offers a housing environment for every taste. Making each of those neighborhoods realize its highest potential is a significant focus of City Hall each and every day. Healthy neighborhoods are essential building blocks for strong and vibrant communities.

A nagging problem in our neighborhoods is the proliferation of vacant and so called 'zombie' properties that started making their appearance after the mortgage crash

some 10 years ago. This is a vexing problem for communities across the country and of particular concern to the neighbors of these eyesores. With grant funds directed to this purpose we have added a Code Enforcement position and part time legal support to address the problem of zombie properties. These are properties that are vacant and whose title is tied up in legal foreclosure proceedings making it frustratingly difficult to hold responsible parties accountable. We have commenced our first enforcement action against a lender with several zombie properties in the City and we are partnering with the City of Albany to go after another who has several properties in both Troy and Albany.

With the unanimous support of the City Council we were able to fund a program to demolish hazardous properties in instances where we are unable to get the owner of record to responsibly address their property. In 2018 we issued demolition permits for 21 properties.

Increasing the rate of homeownership remains an important priority for our neighborhoods. Working with partners such as TRIP, Habitat for Humanity and the Troy Community Land Bank prospective homebuyers have a wide array of services, programs and products available to assist them in achieving the dream of homeownership in a responsible fashion. A significant portion our of Federal HOME funds are directed to this purpose.

2018 was another strong year for homeownership in the City. The average price of a single family home rose again in 2018, up 9.3% over 2017. That's the strongest increase in the Capital Region.

Another important indicator of the desirability of our housing is a measure known as days on market, defined as the amount of time between a property going on the market and the time it is sold. Days on Market for single family homes in Troy in 2018 averaged 45 days. That represents a 35% decrease over 2017, and is a very strong indicator of the desirability of homes in Troy. In fact, Realtors have indicated that there is a growing inventory problem in our market. They have more buyers than they do product. Buyers are optimistic about Troy and their investment proves it.

Neighborhoods are about more than just housing. Amenities are also a key factor in attracting and retaining new homeowners. In 2018 we renewed the City's attention on our park system:

- We have design documents for the park on 7th and Ingalls which includes new basketball courts, playground equipment, a pavilion and splash pad. We will be putting that out to bid early this year,*

- *In sequence we'll look next at the 112th Street park followed by the Canal Ave park. These small pocket parks add immeasurably to the neighborhoods providing a safe attractive venue for playing and cooling off in the warmer weather for the younger kids. Decentralized parks will make it easier for more of our youth to access recreational opportunities,*
- *In this year it is our goal to get the South Troy Pool open for the summer season. It's an aggressive schedule. Documents should be ready to go to bid by mid-February. Results of the bidding will inform us if we can hit a July 1st open date,*
- *Design work will commence on the Knickerbacker Park Pool as soon as we are able to come to terms with the Park's Trustees. Those discussions are ongoing,*
- *The Ingalls Ave Boat Launch is nearing completion. We expect that to be operational for the 2019 fishing and boating season. This is this City's second boat launch – one above the dam and this one below the dam, and*
- *2018 saw significant investment in personnel and equipment at our Frear Park Golf Course. The resulting turnaround on the course has been universally praised and has brought very positive attention to that facility.*

Public Safety

Attractive neighborhoods are also safe neighborhoods. I am proud to say that our Police and Fire Departments stand as equals among the best in New York State. Their training, their dedication and their professionalism is widely recognized and well regarded.

In 2018 we installed an entire new leadership team in the Police Department. That transition ushered in a number of changes including a renewed commitment to community policing methods.

This past year Chief Owens and I attended a series of meetings with a group of ministers from the African American Churches in the City – The African American Pastoral Alliance. Facilitating the effort was the Regional Director of the Community Relations Service of the US Department of Justice. The goal was to come up with steps we each could undertake to build greater levels of trust and respect between our department and the community.

The result was a six point plan that includes monthly meetings between the Alliance and the leadership of the Police Department as well as the formation of a Community Relations Board in which members of the community and police officers can meet to build trust and increase transparency.

Effective public safety is rooted in a mutual and respectful relationship between the community and those charged with enforcing the law. Our Police Department is committed to building that trust.

While no amount of crime is an acceptable level, it is noteworthy that in the last year, according to the Capital Region Crime Analysis Center, Violent Crime declined 21% in Troy over 2017. And property crime declined 17% over the same period. This is a strong indicator of the efficacy of our Police Department and their focus on keeping our community safe.

Work remains, however. The number of shots fired in 2018 remained level with 2017, a statistic which reflects the increasing number of illegal guns available throughout the region. To counter that we are in discussions with the DA and the Pastoral Alliance to institute an open ended gun buy-back program which we project to have operational this summer.

The improving crime statistics I noted above are not accidental. They are the result of considered decisions, new training and close relationships with state and federal agencies, including the FBI, State Police, the DEA and the Rensselaer County Sheriff's Department. The willingness and ability to adapt to changing conditions is vital to remaining effective in today's public safety environment.

I would like to recognize Police Chief Owens and thank him for his leadership on these important issues.

The Fire Department continues to pursue the latest equipment through grants and other means to protect our residents and our firefighters from all hazards consistent with the latest technology and methods.

In 2018 we were able to purchase new turn out gear for half of the department and in 2019 we have already purchased gear for the remainder of the Department. This is a significant upgrade in protection. This turnout gear is technologically advanced with the latest linings and barriers providing our firefighters with superior protection from the dangers of fire as well as the latest advancements in cancer protection.

In 2019 we will be take delivery of a new fire engine with another slated for delivery in 2020.

Capital Improvements will be made this year to three of houses: Lansingburgh, Campbell Ave. and Canal Ave.

With the recent hiring of three new firefighter recruits the force is now at full strength.

The Fire Department is also poised to undergo a leadership transition. Last month Chief Thomas Garrett retired after a 40 year career in the Department the last 20 as Chief. The City is very grateful for his years of service and leadership. And I am especially grateful for his preparation in advance of his departure.

He placed great trust in his assistant and successfully passed to him the tools necessary to lead the department into the future. Tonight it gives me great pleasure to announce that I am promoting Assistant Chief Eric McMahon to serve as the next Chief of the Troy Fire Department.

I have had opportunity to work with the Assistant Chief these past three years and I simply cannot imagine a better candidate. I have the utmost confidence in his abilities and on behalf of the residents of the City of Troy I thank him for taking on this responsibility.

Economic Development

It is no secret that Troy is a great place to do business. Small businesses provide opportunities for entrepreneurs, jobs for neighbors and gathering places for communities. They're rooted in the landscape where they grow, and they give back vitality and sustenance. They foster local economies, keeping money close to home and supporting neighborhoods and communities. Troy's recent renaissance is rooted in the vitality and diversity of our small businesses.

In 2018 we continued our commitment to fostering small business growth and entrepreneurship in the collar city.

In 2018 more than 26 new businesses opened in the downtown alone. Not included in that number are the small businesses that opened in workshare environments or people's homes. These small businesses drive demand for more residential and commercial space.

In 2018 we wrote building permits on \$90,078,136, worth of construction. That is an increase of 39% over last year alone.

In addition construction was completed on three significant projects:

- *The News Apartments, a \$23M project blending adaptive reuse and new construction of the former Record newspaper facility consisting of 101 apartments, off street parking and street level retail opened in the summer of 2018 and was quickly filled,*
- *The Courtyard at Marriott – a 120 room hotel complex opened late summer of 2018. No longer do our businesses and educational institutions need to refer visitors to hotels in Albany County.*

Projects now under construction with completion dates expected in 2019 include:

- *701 River Street, a \$13.5M renovation of the Marshall Ray building into 80 apartments with commercial opportunities on the first floor broke ground last fall and should be completed later this year,*
- *444 River Street, also known as the Marvin Neitzel Building, an \$11M, 88,000 square foot renovation consisting of 74 apartments is well underway and slated to open this summer,*
- *669 River Street, is a \$4M renovation of a long vacant industrial structure into 13 market rate apartments with a restaurant on the first floor. Construction began in 2018 with completion expected in 2020,*
- *The new construction of a residential apartment building at 12-14 King Street consisting of 52 market rate apartments as well as 41 covered parking spaces for tenants. Occupancy is expected in later 2019,*
- *The \$4M new construction of a multi-unit residential building at 7 Cyprus Street which will consist of 21 units is underway and should be ready for occupancy late this summer.*

And projects expected to begin construction in 2019 include:

- *City Station North which will include 66 apartments, a 250 car garage and 40,000 square feet of office space, total cost is expected to exceed \$40M,*
- *A \$4M expansion of Capital Roots Urban Grow Facility on River Street in North Central which will include an incubator kitchen and efficiency-rated net zero greenhouses,*
- *The construction of a new apartment building at 134 Congress Street, the site of the former Key Bank branch. This project expected to cost in excess of \$18M will stand 5 stories tall and include 52 market rate apartments plus approximately 50 parking spaces and 2,000 square feet of commercial space on the ground level.*

These investments by numerous individuals and businesses from the single family home buyer to the small business entrepreneur to the large scale developer bespeak a strong optimism about the City of Troy and its future. The diverse tapestry of our neighborhoods, our businesses, restaurants and civic institutions is unique and appealing to a broad audience. Families, businesses and investors continue to come to

Troy confident in our future, investing their time and money and creating jobs and opportunities in the process, while growing our tax base.

In 2018 the City of Troy was designated a Clean Energy Community by the New York State Energy Research and Development Authority (NYSERDA), recognizing our leadership in reducing energy use, cutting costs and driving clean energy locally.

The designation has made Troy eligible for a \$180,000 grant toward additional clean energy projects, with no local cost share.

The City will use the money to purchase electric vehicles and charging stations. The vehicles will be used by the code department to replace older vehicles that are not fuel efficient and are in need of frequent repairs. Vehicles in this fleet date back to the 1995-2005 era. Charging stations will be available to the public when not in use by city vehicles.

In further pursuit of green cost cutting measures the City recently put out an RFP to convert all National Grid owned street lights to City ownership while converting the light fixtures themselves to LEDs. Not only is this a smart environmental move but bodes to save the City considerable money going forward.

I have a couple of concluding thoughts I would like to leave you with tonight.

I have served as Mayor for three years now. In that time I have had the occasion to work closely with a good number of our employees. I have been impressed and I wanted to share that with you.

We have struggled through some difficult years. We've endured staffing reductions. The staff has worked without contracts sometimes for years on end. And too much of our equipment is old and failing. Yet the workforce continues to be there for us.

On hot humid days when a sewer line breaks there's always someone in the hole fixing it. On subzero days when a water line breaks there's always someone in the hole fixing it. When the snow falls and the rest of us are sleeping they are out there keeping the roads open so we can get to work or school.

When it snows, when a home is on fire, when water or sewer lines break, when there is a robbery or a car accident or when someone has a heart attack, there are always City employees there to help us. They are there for you. They are there for the City. We are

fortunate to have them and I am proud to work with them. And I am grateful for their commitment to us.

And finally, Troy is a remarkable City.

When you reflect back on our history you see that we were at the epicenter of much of this country's growth. Because of our location on the Hudson River and the abundance of streams that powered our mills and factories we attracted entrepreneurs and inventors.

We invented things. We manufactured things. Things that found their way to all corners of the globe – from horse shoes that were shipped all over the country to spirit levels that found their way to the moon in the Apollo Program we have made an enormous imprint on this country. Our buildings and institutions tell a story of entrepreneurship, of vision. And it is precisely these characteristics that are reinventing Troy in the 21st century.

We have remarkable stories to tell today about people inventing and reinventing themselves and investing in their families and their businesses in downtown and across our historic neighborhoods. Dozens of partners – in the City, at the County, throughout the region and at the State took chances that jumpstarted real revitalization in recent years.

The story of Troy 200 years ago and the story of Troy today are the same. It is a story about people creating community. It is not about elected officials. It is about you and the efforts you repeatedly make day after day to shape your community.

The credit belongs to all of you. It belongs to those who participate in our many neighborhood organizations and civic groups. It belongs to the investors and small business owners who have invested their dollars and sweat here in Troy. It belongs to the rich fabric of non-profits that serve our spiritual, intellectual and physical needs. It belongs to the homeowners who show pride in their homes and their neighborhoods. In short it belongs to all those who recognize that problems and opportunities are two sides of the same coin and who take it upon themselves to create solutions instead of waiting for someone else to do it.

Tonight I would characterize the State of the City as stronger, more resilient and more optimistic.

Stronger through the residents and businesses whose passion fuels our desire to improve and grow.

More resilient in our commitment to invest in our future.

And boldly optimistic that our present challenges pale in comparison to our possibilities. Optimistic that we can create a future that measures favorably with the greatness of our past. I see and hear that optimism on daily basis from residents and non-residents alike. It gives me great confidence in our future.

I am proud and humbled to be your Mayor. It is my goal to make you proudly proclaim that Troy is your home.

We are Troy New York and we are in this together.

Thank you for your kind attention.