**Mayor’s State of the City – 2017**

Good afternoon and welcome! I want to thank you all so much for joining us here today.

Each year, it is the duty—and privilege—of the Mayor to report on the State of the City of McAllen. This year, I am proud to report to you that the state of our City remains strong and vibrant. In fact, in October of 2016 the City broke the record for the McAllen Chamber of Commerce Economic Index.

The unemployment rate for McAllen was lower than both the State and U.S. at 4.4% in December of 2016.

The City of McAllen is well-positioned to take advantage of the many opportunities we see in our future.

We are also prepared—and continually preparing—to face any challenges that may come our way.

Your City Commission and I remain committed to conservative fiscal policies, while also cautiously investing in assets that provide long-term growth potential for our City.

We will continue to do this while constantly seeking to improve the quality of life in our City.

***SALES TAX AND ADVOLOREM DISCUSSION***

Like all of the cities in Texas, including the Rio Grande Valley and especially McAllen which remains the highest per capita sales tax collector in the state and maybe the nation, we are very aware of the challenges we face with sales tax revenue.

The growth of online shopping and particularly the declining value of the peso and shopping destinations north of us have presented a challenge to our City.

As it relates to the devalued peso, we believe that the Mexican shopper continues to come to McAllen as bridge crossing are actually up BY 4.2% but they are not buying as much, and are not staying as long as reflected in the sales tax numbers and hotel occupancy numbers.

But the good news is that they are still coming regardless of some of the Washington rhetoric.

That sales tax challenge means the City of McAllen—like all cities—must continually look for new ways to provide revenue for city services.

We are committed to doing so AND keeping property taxes low. In fact, our property tax is among the lowest of any city our size in the State at a rate of .4763.

The rate is low because we have been adding new growth via building and construction projects to the tax rolls at a record rate.

In fact, year to date as of October of 2016 the city construction was $353 million compared to $163 million in 2015 an **86% increase**!

The other major reason for our low property taxes is that ½ cent of our sales tax collection goes to reducing your property tax.

This year that resulted in a 28% reduction in property tax! So, in other words, if your property tax bill was $100, then you would’ve actually paid only $72. *(Gary Gurwitz $10,000 bill)*

That is why we feel we are “partners with our retailers” and continue to actively recruit new, “first to the market” retailers to our community.

In 2015 we established the first retailer recruitment office in the City and it has been paying dividends in 2016.

Recruiting unique retailers attracts more shoppers including those from Northern Mexico which helps our local businesses, restaurants and hotels.

This truly is a “win-win” for our city. Speaking of win-win, our project with La Plaza Mall will result in a number of unique retailers.

***ATTRACTIONS***

The Commission and I continue to strive to provide leisure and entertainment opportunities for our visitors but more importantly for our citizens.

First is the addition of new and improved facilities to our park system, such as the long-awaited baseball and softball complexes.

And the renovation of the Nature Center and new skate park and new moto cross facility.

These facilities like our soccer complex at the McAllen Sports Complex, will attract state and national level tournaments to McAllen.

For instance, the “Games of Texas,” brought in thousands of visitors to our City and area. Kudos to the Parks and Recreation Department.

The other addition to our city that comes to mind is right here on this campus—our amazing new Performing Arts Center or the Wow Center.

*(****How many have been there? Wow****)*

The wow center was paid for from the sale of the old civic center property and the bond issue approved by, you, the voters. *(Special.* ***doesn’t seem like McAllen – we have arrived.)***

Every professional and every artist that has come to the facility has said that there is simply no other venue like it anywhere in South Texas—maybe even the State. Just ask Tony Bennett!

From symphony concerts to Broadway plays to local ballet recitals—the new Performing Arts Center will provide a first-class venue for arts and entertainment for generations to come.

When we gathered here two years ago, there were ‘zero’ hotels on this campus. Today, we have four new hotels.

These new hotels prove the City of McAllen is, and will continue to be, “the place to be” for travel, shopping, and entertainment.

***STREETS***

When we did our citizen survey a few years ago the biggest concern was traffic.

In response, the voters of McAllen approved bonds to be used for street improvements.

We have made progress.

We were also able to persuade TX Dot participate with us in the extension of Bicentennial to Highway 107, and build four lanes instead of the two planned and with the state money we reduced the city costs from almost 8 million to around 5 million leaving money for other projects. We are partnering with the county and state for the widening of Ware Road north of Dove and 5 mile line between Alton and McAllen.

Many thanks to County commissioners for their cooperation.

By the way the construction on the expressway is the removal of the Bicentennial bridge and providing an upgraded intersection which will improve traffic flow and safety at that location.

That is a $26 million dollar project that Senator Hinojosa was able to get funded.

***WATER***

We’re fortunate to have the only elected utility board in the state of Texas.

And we have one of the cheapest utility rates in the Valley.

For more on the great things happening at the McAllen P-U-B, I’d like to introduce my friends Charles Amos & Albert Cardenas.

***STAFF***

I have already bragged about our public works employees, but I also want to commend our city administrative staff in all they do, in meeting and keeping the city within budget.

I also want to recognize, two groups of employees—the police and fire personnel.

Through the cooperation of the police and fire associations we were able to negotiate long term contracts for the first time which provides budget stability for the city.

While other cities in the state and nation are facing serious long-term issues related to expenses in providing these services, our police and fire associations have worked with us to achieve fair, and reasonable, wage and retirement agreements, taking into account the impact to the taxpayers.

More importantly we were able to agree on long term contracts for 5 and 4 years respectively which provides budget stability for the city.

These two departments also deserve recognition for the tremendous job they do for our community.

Through the efforts of our Fire Department, under Chief Ralph Balderas, our city *insurance I-S-O “safety” rating was recently improved to its best level ever*.

This will mean dollars in the pockets of our property owners who will see savings on their insurance premiums.

And speaking of saving money our police department’s expansion and parking facility have and will be paid with by forfeited assets at no cost to the taxpayer. That’s a savings of 7-million dollars!

While the McAllen Police Departments does a great job keeping our community safe it also takes citizen participation because it’s our city!

Here is Blanca Cardenas to discuss how our citizens can have a part in this important effort!

*(((Blanca Cardenas video))*

**Thanks, Blanca, for that message.**

As we continue to make McAllen a world-class city, I am reminded of the need to always keep our eye on the essential services of city government! Like keeping our streets paved – a project in which we invest over 3 and 1/2 million dollars each year.

Here in McAllen, we have a great public works department.

I am especially proud of the way that, in times of disasters, we are always ready to give our neighbors a helping hand.

One of the great services we provide for our citizens is a recycling program.

So for those of you that haven’t yet figured out what that ‘blue trash bin’ is for – and apparently there are quite a few of you!

Here is Elvita Alonso to talk about recycling. Because we all need to recycle – it’s our city!

*(((Elvira Alonso video)))*

Thanks Elvita.

I might mention we have the only full recycling program in the Valley as well as the only composting and mulch facility too

*(You should buy it its cheap and it works and it don’t stink!)*

The theme of our event today is “It’s Our City.”

I truly believe that—this city does not belong to the Mayor and Commission, or the City staff, or any other single group. It belongs to all of us. We will be successful—or not—to the extent that our McAllen citizens take ownership of this community and give of themselves to make it better.

There are plenty of opportunities to do just that! Hundreds of volunteers helped us with the McAllen Marathon and the McAllen Holiday Parade. No matter your age or specific interests you can find a place to help here in McAllen!

One of the best places to help our City is by serving on one of the more than 30 city advisory boards.

Here to talk more about advisory boards is Francy Jones.

*(((Francy Jones video)))*

Thanks Francy.

One of the hardest working groups in our City is “Keep McAllen Beautiful.”

This group is not just an advisory board – they actually get their hands dirty *(and their feet, and faces . . . !)* doing projects that improve the quality of life in our City. *(Kids pick up litter every year. The message here is don’t litter! It’s our city.)*

Here to tell us more about “K-M-B” is Chris Lash.

*((((Chris Lash video))))*

Thank you Chris, and thank you Keep McAllen Beautiful.

Keep up the good work!

Before I wrap up today with another one of our partner agencies, I want to say thank you again.

Thank you for helping making our City a terrific city and a very special place to live. I’ve been here for *(almost 40)* years *(I came as a mere child)* and I truly think this is the best place to live and raise your family and I hope you feel the same way – “It’s Our City” – and here’s to making it even greater in the years to come!

But before we go, I want to introduce yet another agency that helps our city.

Ladies *(and ?)* get your hankies out!

We help to support the Palm Valley Animal Center and that funding makes a world of difference. Take a look.

*(((Transition to PV Animal Story)))*

Take home a pet, a new member to your family! Thanks for being here today. See you next year!