**President Gray, councilmembers, guests in the chamber and citizens of Omaha, it is a privilege to be with you today.**

**This is my fourth state of the city address.  I am more optimistic about the future of our great city than I have ever been.**

**I am proud of our progress and excited about our future.**

**Omaha is stronger and safer.  Our city is growing.  Employment and wages are up.  Construction and development are strong and our economy continues to expand.**

**At its beginning, our city was focused on agriculture, meatpacking, new railroads, breweries, and warehousing.**

**Unique, ethnic neighborhoods evolved that brought character and life to Omaha.  Many of these unique places are thriving today. And yet, much has changed.**

**Agriculture, food processing and rail transportation operate much differently.**

**Along with these industries, banking, insurance, technology, investments, manufacturing, education, and health care drive our economy.**

**What has not changed is the determination and character of those with whom we share our city; our neighbors, friends, and families.**

**The people of Omaha are hardworking and dependable, creative and entrepreneurial.**

**We are caring and generous, optimistic and engaged.  We protect those close to us and we look out for our friends and neighbors.**

**The citizens of Omaha regard public safety as our primary responsibility.   That’s why it is our top priority, too.**

**The public measures our success by their own personal safety.**

**Success is also measured by crime reports, statistics, and police community relations.**

**The support we provide for our officers through improved staffing, training, facilities and equipment; and our partnerships with community organizations also leads to success.**

**In 2016, the number of shootings in Omaha fell to a 10-year low. The number of homicides is below thirty, a 13-year low.  Omaha is one of the few major cities in the country to report decreases in both of these violent crimes.**

**Despite our progress, those numbers represent lives lost or changed, and we owe it to those families to continue to improve.**

**The number of complaints against Omaha police officers is extremely low. Reports of excessive force are down, and the OPD clearance rate is far above the national average in all seven measured index crimes.**

**These numbers tell the story of a professional police department that is responsive to the needs of our community.**

**We have increased the number of officers for the third straight year and another recruit class will graduate in three weeks. This class brings our sworn strength to 860, a record high.**

**The new southwest precinct is open in Millard, the first new precinct building in ten years.**

**We have purchased body cameras and developed policies to protect officers and the public. The shot spotter detection system has expanded.**

**For the first time, we committed taxpayer dollars to support the PACE program and the officers who volunteer their time to coach and mentor young people.**

**Thank you to every police officer who participates in PACE and other organizations that provide positive activities for youth.**

**Under the leadership of Chief Todd Schmaderer, Omaha sets an enviable example for communities that struggle with police-community relations, and the often delicate balance between civil rights and public safety. This does not happen by luck.  This happens because of hard work and trust.**

**We are all grateful that the violent attacks against officers in other major cities have not occurred in Omaha, and I thank every police officer for your commitment to the safety of our citizens.**

**How do we continue to improve on our progress?**

**Right now, we are carefully studying our future needs to develop the next three-year strategic staffing plan.**

**As our city grows, we will also need a fifth police precinct.  Chief Schmaderer and I are developing those plans now. It will be a priority to fund this project in our 2018-2023 Capital Improvement Plan.**

**We have also completed a 25-year strategic fire facilities plan for future emergency response needs. It shows we will need to move two aging fire stations and build three new stations to address continuing growth of our city and better respond to emergency calls.**

**The stations we will move are in south Omaha and central Omaha. These projects are funded in our Capital Improvement Plan. The study shows the best locations for the three new stations will be near 168th & Fort, near 204th & Dodge, and near 132nd & Military.**

**After more than a five-year absence, Truck 53 at 80th and Dodge is back in service.**

**This is a result of successful contract negotiations with local 385.**

**The benefit is to taxpayers, who expect and deserve a high level of fire and emergency response.**

**This summer, we will return Medic 78 to northwest Omaha to serve this growing part of the city.   Medic 78 will be located at the fire station north of Blondo on 144th Street.**

**The important station alerting systems in our fire stations will be replaced this year and we will graduate yet another firefighter recruit class.**

**The men and women of the Omaha Fire Department understand and accept the risks and rewards of public service. We are committed to providing the resources, training and support they need.**

**We also depend on the strength and support of our neighborhood and community partners focused on making Omaha safer.**

**One such organization is Omaha 360.   360 is affiliated with The Empowerment Network.  Its goal is to reduce gang and gun violence. Every Wednesday afternoon for the last nine years, dozens, and sometimes hundreds of member organizations meet to work together on programs to keep neighborhoods safe.**

**360 is a valuable partner.**

**Some of its members, including founders Willie Barney, Vicki Quaites-Ferris and Jami Anders-Kemp are here today. Will all the 360 partners here today please stand so we can thank you?**

**Violent crime tears at the heart of our community.**

**More progress must be made for our city to reach its full potential.**

**This has been and will continue to be my daily, unwavering commitment.**

**Shifting to our local economy and our promise to control city spending and reduce the tax burden.**

**The state of any city is viewed in part on the level of taxation, the services provided in return, and the ability of taxpayers to afford it.**

**I am proud that over the last three years, we have reduced the city’s property tax levy twice.**

**However, recent property valuation increases by the Douglas County Assessor jeopardize our progress of lowering your tax burden.  These increases will lead to unaffordable tax bills for many citizens if other local government subdivisions do not start reducing their tax levies too.**

**I have already committed that if these high property valuations remain, the city will do our part by further reducing our levy.**

**We must ask the other taxing entities to do the same.**

**Our state relies disproportionately on property taxes.**

**For years, the Legislature has studied the state’s tax structure but has not taken any action to address it. Now, the taxpayers have to deal with the consequences.**

**Until the state addresses this longstanding disparity, I pledge to offset these wild swings as much as we can by controlling spending and further reducing tax rates.**

**We have made tremendous progress lately in restructuring and improving the union agreements that provide pay and benefits to our employees, and provide for their retirement. This is still a significant issue for the future of our city and all taxpayers. It is also important for employees. After a career in public service, retirees need a stable program they can count on:  one that is fair, balanced, and strong.**

**As you know, we recently reached a tentative agreement on the police union labor contract. Following the adoption of that agreement, all city employee union agreements will have been re-negotiated, approved, and improved during my term as mayor. These agreements benefit the employees and the taxpayers.**

**Our bond rating companies have said unsettled labor contracts affect our bond rating.  We have now addressed that.**

**It is also very important to note that the number of years remaining to fully fund our  pension balances has been cut in half,  and that is certainly good news.**

**I am proud of our city employee unions and our work together to adjust salaries, benefits, and pensions for the employees that serve us so well.**

**In a few weeks, we will close the books on 2016 and we expect to report another healthy year-end surplus.**

**Managing the budget is my responsibility from the first day of the year to the last.  In each year of my term as mayor, we have kept the growth of the general fund at three percent or under and still expanded important city services. We are spending your money carefully, without taking shortcuts on the services you depend on.**

**Employment and wage growth are strong in Omaha.**

**These trends are encouraging for those who want to start a business, find work, or earn a promotion. For these reasons, a nationwide job search firm ranked Omaha as the third best city in which to find a job last year, up from number seven on the same list in 2015.**

**They noted our “low unemployment rate, vibrant economy, solid population growth, and continued livability”.**

**Development and construction ended the year in a strong position and we are confident that will continue. In the last three and a half years, we have issued over 50,000 building permits representing a value of two-point-six billion dollars.**

**You can see, our private sector partners are making a tremendous, long-term investment in Omaha.**

**For small and disadvantaged companies working hard to become established and grow, we support the REACH program, managed by the Greater Omaha Chamber.  The success of this program is very important to me.**  **When small businesses grow, our economy grows.**

**Providing financial support to our non-profit partners that provide job training  and placement  is a high priority of my administration.**

**Many agency directors are here today representing programs that train our citizens returning to the workforce after serving prison sentences, mentoring programs, and support for tech start-ups.  Will you all please stand and be recognized.**

**Our largest commitments are to Heartland Workforce Solutions and the Step-Up Summer Jobs Program.**

**For the last three years, we have contributed 500-thousand dollars to Step-Up. In 2018, I have pledged to increase funding to $1 million dollars to help the program grow to a year-round training program to prepare teens and young adults for careers.**

**More jobs and better opportunities have a positive effect on public safety, civic engagement, housing opportunities, and Omaha families.**

**In the months ahead, we will create a new neighborhood planning division. Neighborhood planning will be intensely focused on quality of life issues such as housing, employment, and neighborhood safety.**

**The successes we have in Prospect Village, Deer Park, Benson, Florence, Blackstone and Olde Towne Elkhorn will be expanded to meet the needs of our diverse neighborhoods in every city council district.**

**Strong neighborhoods build strong cities and great things happen when citizens and city leaders work together to make neighborhoods safe, accessible, and connected.**

**Omaha is increasingly recognized as a great place to raise a family, start a business, pursue an active lifestyle, and enjoy retirement.  We excel on national lists for young professionals and entrepreneurs.**

**In fact, a November survey ranked Omaha number six in the country when measuring a city’s millennial population growth.  This group of entrepreneurs, employees, artists, and parents, represent the future of Omaha.**

**I would like to recognize an organization leading the way in this area.**

**The Startup Collaborative is designed to increase the chance of success for start-up companies.  With us today are Erica Wassinger, co-founder of the Collaborative, and Nathan Preheim representing the Greater Omaha Chamber. Please stand and be recognized.  Thank you.**

**I am excited to tell you that the Startup Collaborative accepted the city’s proposal to be part of the 2017 Jump Start Challenge.**

**For only the second time, the Collaborative invited organizations to present a challenge that aspiring entrepreneurs could solve.**

**This is the challenge we presented:  How can local governments better promote initiatives and engage citizens?**

**Beyond social media, websites, email, public hearings and community meetings, how can cities reach citizens, and how can citizens reach us?**

**Next week, the problem-solving entrepreneurs will present their solutions and we will pick one idea to pursue.**

**The entrepreneur earns $2,500 in seed money to create a product to benefit local governments.**

**Already, the Startup Collaborative has helped dozens of high-tech, high-growth software start-up companies.**

**Our challenge could lead to the next startup business!  That’s exciting.**

**As I’m sure you agree, there is little city government accomplishes by working alone.  Public input is essential, whether it’s by e-mail, testifying at a public hearing, attending a town hall meeting or volunteering for a city board or commission.**

**Since my last state of the city report, I have appointed the new Human Rights and Relations Board, the Citizen Complaint Review Board and created three new advisory groups:  millennials, veterans and LGBTQ+.**

**Our citizens volunteer for these appointments.   Many are in the audience today, and I thank you for your willingness to serve.**

**Our relationships with our strong non-profit, business, and philanthropic partners allow us to leverage resources, vision, and expertise.  Their support has been overwhelming.**

**This is exactly what we are doing on large-scale development projects such as:**

**“LOT B” west of the CenturyLink Center**

**The Gene Leahy Mall**

**The Capitol District**

**The Human Services Campus**

**The Civic Auditorium site**

**The Arts and Trade District**

**Midtown 2050**

**AkSarBen Village**

**The South and West Farm developments at Boys Town,**

**and the ConAgra campus**

**That’s quite a list.**

**I am proud that I can help developers with these new projects.  The best policy for future development is to work with our business and philanthropic partners.**

**Using the “Downtown Omaha 2030 Master Plan” as the guide, we will see incredible changes downtown, some very soon, some over the next few years.**

**The master plan is a prime example that involving partners and stakeholders leads to a successful future.**

**Cities are defined by their unique features that make the city more livable, enjoyable and appealing.**

**I believe the work underway now with our community partners to reinvent our waterfront will lead to a fully developed and exciting destination that will become our city’s lasting signature. It is exciting and Omaha will be proud of the results.**

**The link that ties all of this together is a transportation system that is safe, efficient, reliable and well managed.**

**This, of course, begins with taking care of our infrastructure.**

**Since I took office, we have doubled the amount of funding dedicated to street resurfacing and repair to a record of nearly $11 million.  I have appointed a citizen’s advisory group to help develop a new policy to replace unimproved streets.  This work is underway and will be complete by spring.**

**We are committed to alternate transportation like our expanded partnership with Heartland B-Cycle.  To help the bike-sharing program grow, the city purchased the bikes and stations. Heartland B-Cycle continues to manage the program.  Our agreement will lead to more than 300 bikes available at 70 stations around the metro area.**

**The bus rapid transit system is on schedule to open next year connecting downtown to west Omaha.**

**And, I believe that we need to move forward with a modern streetcar.  The vitality of our downtown and midtown depends on it.**

**The potential of better connections to our downtown, midtown, large employers, and civic attractions is exciting.**

**The direct benefits in employment, housing, entertainment, and commerce are without limit.**

**A street car has been studied in Omaha for decades and it is time to advance a concept for public input and approval.**

**Our financial analysis is complete and we believe we can pay for a streetcar without a property tax increase. I will appoint an advisory group to study the financial options and make a recommendation so we can proceed.**

**This project needs a mayor who says let’s move forward, so “Let’s Move Forward”.  My goal is to see a modern streetcar as early as four years from now.**

**On the monitors today, you see the new home page of the city’s website.**

**We have completed a total redesign of our entire site.**

**We started several years ago with my website and then moved on to every city department.**

**You will find many new features to make it easy to find information and communicate** **with us.**

**You can apply for a building permit or license online through our Accella system, review our strategic plan and annual report cards, contact the Mayor’s Hotline, apply for our job openings, view city budgets and financial reports, and request public documents.  The final feature, the city’s checkbook, will be online next month.**

**Our technology provider, DotComm has worked diligently for over a year on a large-scale financial project. This includes the city’s checkbook that will provide taxpayers with data directly from our finance department.**

**Open and transparent government is your right and our responsibility.**

**I want to extend my appreciation to the city council, for your input, proposals, and support.  We have accomplished so much working together.**

**When we have differing views, which is to be expected, we resolve them in a manner taxpayers expect.**

**In June, we will lose the experience and leadership of two outstanding members when Councilmembers Thompson and Gernandt retire. Your service and contributions will be hard to replace.  I have had the rewarding experience of working with you as a fellow councilmember and now as mayor. You will be missed.**

**And, there is someone else who will retire next month, City Clerk Buster Brown.**

**When I was a brand new city council member nearly eight years ago, someone told me, “If you need help, information, or want a straight answer on anything, just ask Buster.”**

**Buster, thank you for your 30 years of dedicated service to Omaha. You have been atremendous asset to our city and an excellent steward of the public’s business.  You will be missed greatly.**

**Be sure to tune in each Tuesday to watch the city council meetings on TV.   Or not.**

**I have talked before about the Omaha spirit.  We recognize this spirit quickly and claim it as uniquely ours.**

**This spirit is greeting a new family moving in down the street, a good deed for a neighbor, and trust in each other in times of challenge.**

**The Omaha spirit is personal and you see it everywhere.**

**The Omaha spirit will help us overcome obstacles.**

**It will be passed on to generations to come and it will make our future even brighter than it might seem today.**

**Finally, we started four years ago with a vision to make Omaha safer, make city government work better for you, and to grow our economy.**

**We have done that.**

**With homicides at a 13-year low, the first property tax levy cuts in 14 years and 12,000 more jobs in Omaha, people believe we are on the right track.**

**In the months ahead, we will of course continue our relentless focus on the fundamentals.**

**The goals and vision we are working on now for the future come from you, the people:**

**A more inclusive Omaha.**

**Greater neighborhood support.**

**Innovative transportation systems.**

**Job training and support.**

**Working with our partners for an even more vibrant downtown, with a new riverfront as Omaha's signature.**

**And our top priority, an intense focus on public safety, to keep your family, your neighborhood, and our entire city, safe.**

**As I said at the start, I am proud of our progress and excited about our future.**