

State of the City

Mayor Gary McCarthy

January 14, 2019

Good evening. I want to thank everyone for coming out tonight and those who are watching via our partner Open Stage Media.

I want to thank City Council President Ed Kosiur and the Members of our City Council for the opportunity to address you tonight.

The City of Schenectady is doing well. 2018 was a good year for our community and we are positioned to continue that performance in 2019.

There are new lights shining bright in Schenectady. The new \$22 million Schenectady Train Station – which formally opened the end of October – looks very good during the day, but looks great with the programmable exterior lighting at night.

Chris Spraragen of Schenectady Hardware & Electric’s recent purchase and upgrade of exterior lighting at 530 Franklin Street is a complementary addition to City Engineer Chris Wallin’s completion of sidewalk lighting under four railroad bridges; Proctors & Metroplex’s new lighting by the parking garage entrance and the completion of bollard illumination on the rail bridge over Erie Boulevard.

Another bright light is the fact that we have cut the City’s Property Tax Rate four years in a row. To build on that I’ve directed the new LED lighting system in the City Hall Clock Tower to be turned green tonight to reflect the operating surplus Finance Commissioner Ferrari has told me to anticipate when we close out the books for 2018.

Our finances remain good as S&P Global Ratings gave us an “A” Rating with a Stable Outlook on our Bond placement in May of last year.

We have reduced the tax rate by 6.5% since 2015 and our rate in 2019 is \$12.98 per thousand of assessed valuation.

But like all levels of local government, we remain under pressure to provide municipal services in a cost effective manner. Schenectady remains on the low end of the AIM funding to municipalities. This chart shows the widely variant assistance that New York State gives to different communities across the state.

Schenectady City Court Judge Guido Loyola will retire this year after three decades of service to this community. As you know we have four City Court judges. The last one was created in 2013

by the New York State Legislature [Laws of New York, 2013, Chapter 548]. The supporting documentation provided to the Legislature indicated the support of the Mayors in the respective communities where the judgeships were modified or created, including Schenectady. However, I was never asked my position, and have never supported the creation of the fourth judgeship.

The full integration of the fourth position with the related requirements by the Office of Court Administration has the potential to cost the City in the range of \$3 million. Very simply, three City Court judges can comfortably handle the case load. It makes no sense to potentially waste \$3 million. I will ask the City Council next Monday night to support legislation formalizing our position in opposition to the fourth judgeship and have it removed from the New York State budget.

Rivers Casino and the Landing Hotel continue to provide economic opportunity for our city, as well as for the entire Capital Region. Today, there are over 1,000 jobs, with health care and pension benefits in a facility that cost over 330 million dollars to build – where there was once nothing more than a brownfield.

We need to work with New York State Gaming Commission, which is headquartered in our City, to release the regulations to allow Rivers Casino to offer sports betting at its property. After watching Rivers' successful partnership with Capital District OTB, I know that sports betting will enhance the entertainment opportunities, and provide positive economic results for our community.

The renaissance in Downtown continues under the impressive leadership of Ray Gillen and the Metroplex team. The new rail station is open. Clinton Street Mercantile and Bluebird have opened in buildings restored by Jeff Buell.

The Whistling Kettle will be opening on Jay Street. Frog Alley Brewing Company & Bountiful Bread will help anchor JT Pollard's impressive \$30 million Mill Lane project on lower State Street.

Our work in the neighborhoods also continues. Housing sales of foreclosed property exceeded \$2.4 million last year – a record amount!

We saw Key Bank contribute \$250,000 to BNI to help with projects in the Eastern Avenue Neighborhood. Tribute Park and splash pad was opened with help from the Land bank under the guidance of its Chair Richard Ruzzo, and Executive Director David Hogenkamp.

The Schenectady Municipal Housing Authority under the capable leadership of its Executive Director Richard Homenick is starting a \$24 million dollar phased redevelopment of Yates Village.

Shane Bargy runs a truly great organization at the Boys & Girls Club. The new \$13 million dollar 39,000 square foot facility adjacent to Quackenbush Park will enable them to continue to provide life changing experiences for youth in our community.

This project is another great example of a collective team effort. Mark and Terri Little chaired the major fundraising effort. This required aggressive solicitation of private donations, sale of existing property, alienation of City parkland and significant assistance from New York State. This effort all came together in fairly quick order, in fact, a fairly impressive timeline. This facility is scheduled to open in the fall of this year.

The \$22 million dollar Hillside View Apartments on Craig Street are open. The over \$460,000 New York Main Street Program grant for the Crane Street Commercial Corridor Improvement has been awarded to BNI and will complement Schenectady County's investment in a new library on Crane Street.

These projects are being done in conjunction with the Craig Street – Main Avenue “Complete Streets” Linkage Study. This study looks to tie together the major facilities and resources in the area, including residential and commercial property in the area, the Hillside View, Community Builders, MLK School, Miracle on Craig, Pleasant Valley School, Quackenbush Park, the new Boys & Girls Club, Mt. Pleasant Middle School, Steinmetz Education Center, Mt. Pleasant Library and our upgrades in Orchard Park.

Another strategic community initiative is the Neighborhood Revitalization Strategy Area (NRSA). The HUD designation creates flexibility in the 15% cap on Public Services within a designated area for Community Development Block Grant funds. Additionally, it looks to create opportunity in distressed neighborhoods by reducing vacancy rates and strengthening educational and employment programs. This coupled with the new Federal Opportunity Zones create an environment for development and the creation of real value in these neighborhoods.

We finally completed the \$1.75 million rehab of the Oak Street Bridge and we have been awarded \$3.3 million for work on the Hulett Street Bridge.

The paving project on Broadway and Guilderland Avenue will begin in the spring along with some planned signal improvements.

We will start work on the new \$12 million North Ferry Street Pump Station this year. This is being paid for largely by funding from the Department of Environmental Conservation and the Governor's Office of Storm Recovery. It should be noted how this project has changed over time. Our current facility pumps effluent to the elevation of Front Street and then a gravity system to the Waste Water Treatment Facility on Anthony Street.

The new facility will be connected to a force main that will pump effluent all the way to Anthony Street. This design eliminates overflows that occurred on East Front Street, allows us to comply with DEC, and is designed to be resilient to high water events along the Mohawk River.

Additionally, we are moving forward with the FEMA Stockade Flood Mitigation Grant Program. This \$8.6 million project will help us better plan for and minimize the effect of flooding in the Stockade.

The Thriving Neighborhoods Challenge in conjunction with The Schenectady Foundation received 48 proposals for improving our neighborhoods and community as a whole. The award-winning projects will be announced soon.

But the major problem we face continues to be vacant and distressed property. We have just under 800 properties that we have identified as problem parcels.

Over half of them are owned by individuals, over 10% are bank owned or titled in an LLC, and the City has taken title and site control to over a third of the properties.

2018 was a record year for dealing with distressed property. We sold 146 City owned properties and generated over 2.4 million dollars in gross revenue – a truly great effort by the city's Codes, Development, and Law Department staff working together with the City Council.

The City's Affirmative Action Officer Ron Gardner has done a terrific job partnering with the educational community and contractors to put in place an impressive Section 3 Job Training and Construction Management program. This is providing real job opportunities for our residents.

We are instituting better record keeping while seeking ways to better hold accountable those property owners who foster neglect and adversely affect the value of all property in our community. Having the technology and resources to quickly and accurately perform analysis on vacant and distressed property is a key to minimize costs.

We are working with other communities, the Center for Technology in Government, and the New York State Department of State, and are close to launching such a platform. Community Officials Data Exchange (C.O.D.E.) will be an online platform to search property owners, LLC's, landlords and related information.

Our Police, Fire and Codes Departments are working together under the strong leadership of Commissioner Eidens. This unified environment is creating real results and value in Schenectady.

Total Part 1 Crime continued to drop last year. We saw a 6.5% drop last year compared to our five-year average.

Last year the United States Conference of Mayors awarded two cities their Mayors' Climate Protection Award – Austin, Texas and Schenectady, New York.

We were also given one of the Smart 50 Awards by Smart Cities Connect Foundation and US Ignite. Our Smart City Report was designated as one of the 50 most transformative smart cities projects of the year.

Our work under the broad label of Smart Cities is earning recognition at a national level.

Just last week there were over 6,000 unique visitors to our limited public Wi-Fi deployment in Downtown.

This is a service people have come to expect and enables us to deliver municipal services in a cost effective manner.

Traffic counts at Erie Boulevard and Green Street show an average of just under 24,000 vehicles a day at this intersection during the month of December. The analytics we are putting in place enable us to improve traffic flow and signal timing.

Businesses will be able to better understand peak and off peak times and individuals can better time their trips.

While I hope the weather remains clear and we don't have to use it, but Fleetfinder, a product of Transfinder, is now live and enables everyone to see where snowplows are and where they have been.

Our partnership with National Grid and their REV Demonstration Project has moved slower than I would have liked but our end product will have greater value and allow us to provide better services. National Grid has put in place test lights on lower Union Street in the Stockade to allow people to view and rate the color temperature of the fixtures. There are 18 lights, nine of which are 3,000 kelvin and the other nine are 4,000 kelvin.

We will be hosting neighborhood meetings and informational sessions to gather additional feedback on this project.

National Grid is in contract negotiations with vendors and will be able to deploy the first two zones in the coming months.

The City of Schenectady has made and continues to make significant progress. Part 1 Crime is down 36% since I've been Mayor, we continue an aggressive street paving program, our Golf Course is the best Municipal Course in the area, four years of tax cuts, record sale of city-owned properties, and major revitalization projects in both our downtown and neighborhoods.

We have all contributed to this progress and I thank all of you here tonight and our partners that have made the success possible and our future bright.

Thank you! And enjoy the green clock tower lights tonight!