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2010: THE STATE OF THE CITY

Mayor Sam Adams

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Good afternoon Portlanders, City Club of Portland, members of the Portland City Council, honored guests, and the radio listeners and TV viewers on Oregon Public Broadcasting and community access media.

As mayor I interact with Portlanders of every perspective every day. It's one of the great joys of this job. I truly relish the chance to mix with so many different people on so many different issues.

Despite the rich diversity of outlooks of our city, this year has been unique for its singularity. For the first time in my public service career, everybody shares the same primary concern.

Jobs.

It's about your job. If you have one, you've been telling me you're concerned about how long your employer can keep you. If you've been laid off or reduced to part-time you're concerned about getting back up to full employment. If you've been on unemployment, you're getting anxious about finding the next opportunity.

These are real-life realities I hear every day as mayor.

Like Jean, a mother with a long face and two infants in matching red sweaters, who sat next to me on the light rail MAX one evening. She told me how she had to walk away from her home and into foreclosure because she couldn't make the mortgage payments after being furloughed.

Or Mike, a short, stout man wearing a baseball cap who knocked on my front door in Kenton selling tamales to make ends meet.

We are being battered by a hundred-year global economic storm. Not since the 'Great Depression' have Jean, Mike, their families and neighbors seen it so tough.

You may not know Jean or Mike. But you know people just like them. They're your brother, your sister, friend, or neighbor.

Today I will articulate what the City of Portland has done – and will do – to ensure that the good times of yesterday are dwarfed by the opportunities of tomorrow, that the Jeans and the Mikes we all know will never again face this level of joblessness.

And knowing all that Portlanders are capable of, as I report on the state of our city, I am confident of this: we will recover.

And, more than just *recover*, we will come out of this recession more resilient. For Portland, being resilient is about being more self-sufficient, smarter and creative, beautiful in its design, less wasteful, more equitable; at once a stronger and more nimble city.

We are proud of our city, and appropriately so. We make a lot of 'top 10' lists. That should encourage us. But also we must also acknowledge that we have serious civic issues to address. Now.

This 100-year economic storm scraped off a veneer of prosperity and revealed vulnerabilities in our economy, schools and sustainability.

Your City Council has worked to immediately address those in greatest need: a 4% across-the-board cut was required to balance the city budget, 60% of that coming from administration. But we also delivered 30% increases for housing, homeless and small business-support programs. Still, we on City Council are the first to say there is much work left to be done.

We will need to invest more in the success of Portland-based businesses. And we will focus on where we can earn a competitive advantage in an economy that has gone global.

With great firms here like Iberdrola Renewables, Vestas, Glumac, Benson and Solarworld, we are emerging world leader in sustainable industries and clean technology practices in all industries. There isn't any reason why Portland can't become the nation's new hub for clean technology – a means to create electricity and fuels with a smaller environmental footprint. And we should be exporting all these goods and services all around the globe.

Of course, Houston, Chicago, San Jose and others also vie for that clean tech hub title. That's why this recession compels us to work from an economic strategy and give it everything we've got. Remember, Jean and Mike don't have to work in the clean tech sector to enjoy its benefits.

Now, if Jean chooses not to pursue a job in clean tech, Jean's children might. But today Portland's educational system may not prepare her kids for tomorrow's jobs. Just 63% of our eighth graders are graduating from high school in four years.

Personally, I find that unconscionable. But even if you don't see it like I do, the fact is Jean's children today are the workforce of tomorrow. Educational performance is not a partisan issue; it is a cornerstone in the foundation of a healthy local economy. We will do whatever it takes – working across jurisdictional lines in partnership - to cut the drop out rate in half so that about 80% of students graduate on-time and more go on to college or to additional skills training.

The third and final revelation from this brutal economic storm is that we remain overly reliant on yesterday's energy production models.

Unsustainable fossil fuels power too much of our quality of life. In Portland, that also means coal: 43% of all the energy we consume in Portland comes from the bowels of Wyoming – railroaded to Boardman and beyond and burned into the blue skies of Eastern Oregon and the Rocky Mountains, and outside the reach of the Clean Air Act.

Folks, we do such a good job at home – from bicycling to recycling and more. But we need to kick our coal habit. Portland General Electric, Portland's principal energy provider and owner of the Boardman plant, is headed in that direction. I applaud their plans to phase out the Boardman coal plant.

But remember it's about a lot more than just the right thing to do. The so-called "right thing to do" tends to resonate more with those who have the luxury of alternatives that are often more expensive. Mike, who's concerned about his next tamale sale, shouldn't be expected to think about clean energy power. Mike needs a living-wage job.

So, here's the best part about our approach: Because we have growing wind and solar industries right here; kicking our coal habit means growing jobs right here at home. There's no way I'm going to let us miss this opportunity.

These three pieces of Portland – our economy, our schools and our sustainability – need even more of our collective focus. Let's be really clear; these are deep structural civic issues. Easy, "wave the magic wand" fixes don't exist. Fixing them will be hard, but that economic storm we've faced compels us to recalibrate in recovery in service to a more resilient Portland.

My job is to look the Jeans' and Mikes' straight in the eye and say, "I've got your back." I understand the fear you feel, the issues you face, and the source of the problem. And as your mayor with this City Council, we're on it.

Now, you know it's not a Sam Adams speech unless we cover at least a few details. But I will try and make the specifics at least be mildly entertaining.

Last month, Senator Jeff Merkley, State Representative Jules Bailey, State Sen. Chip Shields, State Rep. Lew Frederick and I stood at a home in Northeast Portland to launch Senator Merkley's federal legislation that would broadcast nationally an idea born and raised here, Clean Energy Works Portland.

Clean Energy Works Portland creates a first-in-the-nation program to enable on-bill financing for home energy retrofits. Now, I know, "on-bill financing," is not exactly a t-shirt slogan, but check out this video that Green for All, our national nonprofit partner put together about Clean Energy Works Portland:

SHOW CLEAN ENERGY WORKS VIDEO

<http://www.youtube.com/watch?v=D8aDuGbmiz4>

Ladies and gentlemen, say "hello" to the great local contractor and star of that video, Bernice Lopez-Dorsey.

We know how Bernice benefits from the Clean Energy Works program, but how about the Jeans' and Mikes'? Well, they benefit in a whole web of ways.

To the construction industry, where one in three Portlanders is currently out of work, it means a growing retrofit and remodeling industry for our skilled workers.

For our children, it means a house that is warmer in the winter, cooler in the summer, and greener year-round.

For the home-owner, it means more energy saved and more cash in hand.

For Portland's economy, it means we continue to lead the nation on sustainability while we build the energy efficiency industry of tomorrow.

Jobs, education, sustainability – what used to be separate actions now partnered together into a single effort, for a more prosperous and resilient city.

But Clean Energy Works Portland isn't alone. There's much more. In 2009 we recruited clean tech companies like Swiss rechargeable battery-maker ReVOLT. And we got the federal government to spend \$75 million to build the eastside streetcar loop.

The loop will, for the first time, bring modern streetcar across the river. We anticipate 1,300 jobs created from our eastside streetcar project. Every one is a living wage opportunity for a Portlander.

And you know we're just getting started. Portland was a streetcar city and it shall return to being a streetcar city. And by "city," I mean citywide.

Anybody know what we're looking at right now?

This is SE 92nd & Foster Boulevard, the heart of Lents.

Watch this:

And best of all, the streetcars are built right here by Oregon Iron Works – on sale to the rest of the country. The only streetcar that meets the Buy America requirements for federal dollars. Congressman Blumenauer – you helped make both possible and on behalf of a grateful city: Thank you.

Clean Energy Works, the ReVOLT headquarters, and streetcars are three examples of our new Economic Development Strategy in action. Last year city council and the Portland Development Commission agreed on a five-year action plan to create 10,000 new jobs. Maybe you heard about it, maybe you didn't. It's the boldest, most focused, most strategic economic development plan Portland has ever seen, developed – not insignificantly – in conjunction with City/County Climate Action Plan. Economic prosperity and environmental progress have never been more in synch.

And all of this ties right into the Portland Plan. Launched last fall, the Portland Plan when completed will bring the Economic Development Plan, the Climate Action Plan, and all of our neighborhood plans into one home, articulating who and how we want to be over the next 25 years.

Portland plans better than any city in the country. But let me state the obvious: plans without action are irrelevant.

Now, I've never met a business owner that wanted to lay off her employees. It's a heart-wrenching decision with repercussions that are painful beyond the bottom line. Business owners want to hire back their people, but in today's environment they can't access enough affordable capital to regain their footing.

Access to working capital is a problem of international magnitude, and I sure hope all those important people in Davos, Switzerland act immediately on a set of great ideas. Here at home, city government cannot solve the global financial problems but we can help here at home.

Today, through smart use of federal stimulus resources, we're announcing the formation of the Sustainable Development Fund. The Sustainable Development Fund is a best-in-the-nation green financing fund with up to \$33 million in resources, which will help bring Clean Energy Works to our commercial and industrial sectors.

And in conjunction with the Sustainable Development Fund, we're also launching the creation of the Portland Small Business Seed Fund. In today's frozen fiscal environment, the seeds of inspiration can't germinate because enough private capital hasn't thawed.

And this is particularly painful for the most modest of investment opportunities, typically in the \$10-20,000 range. We're starting with \$500,000.

And I challenge all those banks and financial firms, with their feel-good, "we-have-money-to-lend-small-businesses," ads to match Portland's upfront investment in the Portland Small Business Seed Fund.

You know, the nation is being polarized in a way I've never seen it. And for citizens, objective information is extremely hard to come by as the 24-hour news cycle prioritizes speed over substance. President Obama has a tough job; he's tackling big issues and getting stuck in partisan congressional gridlock.

On a rainy afternoon last week, I experienced gridlock of a different kind. I got snarled in the on streetcar construction on Martin Luther King Jr Blvd. Looking around I was amazed at how Portlanders were remarkably calm in light of the circumstances.

Annoyed, of course but most Portlanders understand the near-term construction jobs we so desperately need, the chance for this important east side commercial corridor to finally bloom but also that our niche is and will be our relentless urban innovation.

And as we navigated the MLK bottleneck, my thoughts turned across the river to next urban innovation: the Oregon Sustainability Center.

The Oregon Sustainability Center will be the largest ecologically "living" building on Earth. The governor and I, along with higher education, a scrappy group of non-profits, the Portland Development Commission, and our ever-resourceful federal delegation, are pushing to build this Center on the campus of Portland State University.

But while the building itself will be a beacon of our sustainable industries prowess, its most lasting attribute will be as a place to get new green building designs, services and products to market.

And from the downtown tower to the neighborhood home, we're innovating. Maybe you heard the recent news about curbside composting coming soon to Portland's neighborhoods.

Okay, when I first started on the compost issues I didn't know that as much as 30% of our waste stream is food or compostable materials. Getting those materials out of our waste stream – a liability - and into compost stream – an asset – makes all kinds of sense. We're going to pilot curbside composting in four neighborhoods this year, and expand in 2011. Gardeners – rejoice!

The same goes for our brand new bicycle plan, which elevates our aspirations to one in four trips in Portland to be made on bicycle. It's the most ambitious, most comprehensive plan of its kind in the country. By building it out, we will be on par with the great bike cities of Northern Europe.

There's been some chatter out there about cost, and that's fine.

But folks, here's the bottom line: we can't afford not to build it. Think about the cost of any given trip made on bicycle versus private automobile. There's no such thing as a pothole caused by bikes. No noise and no emissions. And you're getting exercise, which, frankly, some of us – including yours truly – could use.

Even if you never plan to set foot on a bicycle, you benefit tremendously. Fewer vehicles, less congestion, reduced pollution.

We're Portland and we lead the nation in bicycling, because that's how we roll.

And if I'm talking innovation and greater resilience through transportation, I gotta talk about sidewalks. You may remember that the state legislature passed a modest increase in the gas tax last year. I want to put \$16 million into sidewalk development in East Portland, North/NE Portland, and SW Portland – the areas of town annexed into the city that have never had sidewalks.

There is a caveat. Anti-tax types from elsewhere have submitted an initiative to the state to repeal that source of funding. When you see one of those signature gatherers on the streets I want you to think about Jean and her two infants. Jean can't afford a

car; she relies on transit. Can we really expect her to safely get to her MAX stop – with her stroller in tow – without a sidewalk? Is that fair? Is that Portland? I say no.

When we talk about Portland, our values and our destiny, we need to talk about everybody. Access to a quality education that can prepare today's children for tomorrow growth sector jobs. And the day-to-day realities of getting to and from school or to and from that job safely and easily. When we talk about everybody we're talking about equity.

As recently as the 1950s Portland was known as a racist city. Since then, we've made incredibly important strides in liberating ourselves from the evil burden of hate, but equality of opportunity still isn't our reality.

This 100-year global economic storm battering all of us is a relatively recent phenomenon for many of us. But tragically our communities of color have faced the vicious winds poverty and underemployment and disparity of opportunity for decades.

Look at this:

[show moving graph]

Our success as a city should be measured by the success of those who have the least. Equality of opportunity doesn't happen overnight, and I certainly don't pretend to have all the answers.

I do know it begins with partnership. To this end, City Council is building on the work done over the past decade by organizations like the Urban League of Portland, Southeast Asian Health Center, IRCO, Hispanic Chamber of Commerce, and NAYA to address these disparities:

- I am pushing forward the Community Benefit Agreement to ensure our clean tech strategies benefit all Portlanders.
- Commissioner Nick Fish is taking the lead on a disparity study that will help Portland address inequities in purchasing and business development.
- Commissioner Randy Leonard took the lead on reforms to make contractors of color have represented on procurement selection committees.

- Commissioner Amanda Fritz is getting the City's Human Relation Commission off the ground; and,
- Commissioner Dan Saltzman, with Police Chief Rosie Sizer, are taking a very hard look at how to meaningfully address racial profiling.

But above all, equality of opportunity begins at home and in the classroom. There is no substitute for a good education. That's not just a rallying cry, that's a fact.

For Portland to be truly resilient, every student - regardless of income, background, or neighborhood – must have access to a good education.

I mentioned earlier that just 63% of our 8th graders were graduating from high school in four years. Along with Multnomah County Chair Ted Wheeler we've gone right to the source of the problem.

Last summer more than 1,300 students identified as most at-risk of dropping out were enrolled in the Summer Youth Connect Program. The vast majority of those students were youth of color. They took summer courses to catch up in school; worked and earned money in summer jobs; toured work sites, apprenticeship programs, and college campuses.

You all get the point of the program. It's all about giving our students a window seat to look out onto the range of opportunity they can enjoy if they perform and earn their diplomas.

And as part of a related effort, the City is a proud investor in The Right Brain Initiative, a comprehensive, integrated arts education system that works to ensure every K-8 student in the region has access to high-quality arts learning experiences. 2009 marked Right Brain's pilot year, and this Fall we are engaging nearly 11,000 students in the creative processes of music, dance, art, and theater and connecting this learning to other core subjects such as reading, writing, social studies, math, and science. Research tells us that the arts are often the final link between a school and the youth who are at risk of dropping out. Boosting self-confidence, motivating, changing have to into want to, the arts are a critical connection in our children's and OUR learning. Significant, sustainable investment is needed in the arts if we are to continue to reach a future that meets the full measure of our thinking.

These efforts are about helping students see a bigger picture. I've told my own story along these lines countless times. I'm damn fortunate to have graduated from high school because if I hadn't been needed by a teacher, I probably wouldn't have made it.

We call it "Summer Youth Connect" because it's about connecting the dots between academic education and workplace success. Our thanks to the more than 75 companies and organizations opened their doors and sponsored site visits.

And the innovation across jurisdictions in service to our youth includes YouthPass, a program that made TriMet passes available to 13,000 high school students free of charge. Thanks to the Multnomah Youth Commissioners, who played a leadership role in making that happen.

Today I'm pleased to announce another incentive to get our youth on track in high school and on to the next opportunity. That next opportunity, if they choose to engage it, is free tuition at the Mt. Hood or Portland Community college campus of their choice.

That's right; when it is at full strength, the city council and our community colleges will partner to offer up to \$2 million annually in scholarships to cover the cost of tuition for as many Summer Youth Connect students as possible. Getting an associate's degree, and landing a living-wage job, just became A LOT easier.

Even in the midst of this brutal 100-year storm, I want Portlanders in 2030 to look back at us say with admiration that during this time – our time – that we not only took care of the Jeans' and Mikes' but that we tackled our toughest civic challenges.

That in these times we showed an unparalleled level of focus and commitment. That Portland became a much more self-sufficient, smarter and creative, more sustainable, more equitable, stronger and more nimble city.

That Portland never again faced today's level of economic pain. That Portland more than just recovered, we moved far ahead; and we became a truly resilient city.

Thank you.

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