

State of the City of Laredo Address

June 15, 2011

My fellow Laredoans: welcome and *bienvenidos!* My fellow elected officials, including my esteemed colleagues the members of the Laredo City Council, our community partners and business leaders, City staff, distinguished guests and citizens of the great city of Laredo, Texas...I would like to thank you for joining me as I present to you the 2011 State of the City address to highlight the accomplishments we have made in our wonderful city, because, "there is always a reason to celebrate in Laredo."

Let me start off by recognizing the creativity and vision of an extraordinary young girl, 9-year old Isabella Mercado, for not only gifting us with this extraordinarily powerful and positive motto for Laredo, but also, for reminding us that despite what is going on in the world around us, there **IS** always a reason to celebrate in Laredo. Looking at our city through the eyes of a child, full of innocence and hope for tomorrow gives me hope, gives us all hope, in fact, that indeed, there will be a better tomorrow, but for today, there is always a reason to celebrate in Laredo. Thank you, Isabella.

It continues to be a great honor to serve you as your Mayor of the great city of Laredo. Together, with the leadership and vision of the city council and the hard work of our city staff, our ongoing partnerships with you, our local business leaders and our entire community pulling together...the sky's the limit!

Our work is still cut out for us though, whether it is continuing to improve on our image in state and national media or working to overcome the financial challenges of this recession that all citizens and government entities are facing. However, we **MUST** all work very hard to ensure that Laredo's best interests are served. Despite these challenges, the City of Laredo will continue to provide more efficient and basic services, as well as improving quality of life programs for all of our citizens. Since 2007, a total investment of 675 million, 534 thousand, 911 dollars has been made in our city, which includes 41 million 487 thousand 749 dollars in grants in 2011, 101 million, 65 thousand dollars in Certificate of Obligation and revenue bonds, also in 2011, and of course, the 109 million dollars in stimulus funds from 2009. we have accomplished and achieved much...and we are continuing to work towards developing and completing more such projects that serve and better our community.

((Economy-Jobs))

For the past four years, our nation's economy has continued to struggle with sales, mortgages and unemployment at rates not seen since the Great Depression. While Laredo's economy has been very fortunate to have not received the full impact of other cities across the country, other factors have had an impact on our city's budget. Federal and state budget cuts are eating away at funding for social programs, infrastructure improvements and other necessities...but because our City administration has always maintained a strong, fiscally responsible management of our City budget, we have earned excellent ratings from the bond rating agencies, including an AA2 from Moody's; AA- from Standard & Poors and AA from Fitch. This has allowed us to refinance bonds at lower interest rates, pay off debts sooner and

grow improvement projects sooner, rather than later. We are still working harder with fewer resources, but your City of Laredo government has a different perspective about serving its citizens. While cities like Houston, Dallas and others are cutting back hours and laying off personnel to balance their budgets, Laredo has not cut hours or services to its citizens and the City of Laredo has not had to lay off any city employees.

Because we are a hardworking community, Laredo's unemployment rate stands at 8.0%...which is below the nation's rate of 9% and the same as Texas' jobless rate also at 8.0%. However, compare that to the Rio Grande Valley's 11.4% unemployment, or El Paso's of 9.7% and we can see that because of **your** efforts and because of **our** efforts to hire locally, to contract locally, to purchase locally, **PEOPLE IN LAREDO ARE WORKING.** What is really encouraging is that in spite of the worst US economic downturn since the depression, Laredo managed to experience a job growth rate of 3%!

In fact, in 2009, when our economic outlook was at its bleakest, Forbes magazine indicated that Laredo ranked 8th in the nation when it came to job growth.

So, while other cities around the state are **laying off** protective and emergency first responders...Laredo is **hiring** additional officers. That's because Laredo was the only city in the country that received a federal COPS grant to hire 22 new police officers to help keep our border and our residents safe from the perils of crime, including drug and human smuggling, violence, kidnappings and auto and property theft.

Laredo secured this \$4.3 million dollar grant funding because of our continuous lobbying efforts in Washington, DC with our federal legislators and agencies. Aside from the COPS grant, our advocacy efforts in our nation's capital helped us to receive the 109 million dollar stimulus grants, and **last fiscal year alone we received:** almost 20 million dollars in federal grants for the airport, for runway extensions, electrical improvements and security upgrades; over 11 million dollars for the health department for health security, chronic disease and cancer prevention; 8.1 million dollars for the environmental services department for river vega design, energy efficiency program, alternative fueling stations and *colonia* outreach; and a little less than a quarter of a million dollars for the fire department for smoke alarm, public education and fire prevention, all to better serve our citizens and our community.

I would like to recognize the importance of our annual legislative advocacy trips to Washington, DC or the bi-annual trips to Austin. The City of Laredo goes to DC and Austin to strengthen relationships and to remind our federal and state elected officials and agencies of the needs of our community and to get federal and state tax dollars back to Laredo to help our citizens. We go to Washington and Austin to make our presence known and our needs expressed so that we can accomplish these types of goals that allow our great city to prosper and remain safe.

((Commerce))

The City of Laredo's second largest source of revenue is our Laredo Bridge System, after property taxes and before sales taxes. With our four international bridges, Laredo crosses over \$173 billion imports and exports annually. Thanks to the 18% increase from one year ago in commercial truck crossings, the revenue stream is slightly better than where it was last year. However, regular vehicle and pedestrian crossings continue to decrease, as a result of the

recession and the unfortunate violence that has plagued our Sister City. Despite these challenges, and in order to continue growing our commercial bridge crossing numbers, the City of Laredo is investing in infrastructure to expand our commercial crossing capabilities.

In 2010, the Laredo International Airport recorded more than 110-thousand passenger departures, an increase of 8% from the year before. Just last month, Allegiant Air added a new flight destination to Orlando, which is not only a welcome service for Laredoans, but also to customers from throughout the region. In fact, the airport staff is continuing to look for ways to grow customer service and opportunities for passengers. Additionally, as the 8th largest air cargo hub in the nation – servicing over 287 million pounds of cargo – our airport is an important part of our city's dominance as the nation's largest inland port.

Building permits were down in 2009 and 2010...but compared to the rest of the country, the downward trend was not drastic by any means. Our property values have been fairly steady...nothing like cities in Florida and California where property values nose-dived and remain depressed in many areas. This year, we have seen an increase in both commercial and residential building permits...and the jump in those permits are continuing to rise.

Laredoans also managed to keep foreclosures at bay...and that is great news for homeowners. We have had foreclosures...but not nearly the numbers seen in other cities around the country. All in all, our local economy has been able to remain strong, which is very encouraging news regarding the state of our city as we move towards the 2nd half of the year.

((New business opportunities))

When I first came into office in 2006, I had several items on my agenda...one of which was to make Laredo a Global Business Center. I can report to you today that the city has worked very hard on finding new trade partners that will help Laredo expand on a global scale. The City of Laredo undertook an aggressive marketing approach in bringing additional commerce to our city. I, along with the City Manager, Council Members and other key City staff members, traveled to Central and South America to bring more business and trade to our city. We are the nation's largest inland port – the 6th largest U.S. Customs District in the country – and I cannot stress how important it is to take advantage of our geographical location and logistical competitive edge that we have developed over other ports throughout the country.

We must make connections and form new relationships with our business partners or we won't reap the benefits of a Global Business model. Your city leaders must continue to knock on doors on a national and international level in order to remain competitive in today's world economy. It leads to new business ventures, adds to our tax base and provides more diverse job opportunities for our citizens...it is a win-win situation!

It is no secret that one of our long-term goals is to attract the manufacturing industry to Laredo. I am pleased to report that we are beginning to see an increase in business inquiries. Our economic development team is working with national and international manufacturers who want to set up shop in our community...further proof that Laredo continues to press forward! Locally, investors continue to be very interested in Laredo and its market, especially retail. In fact, for many of the national chain operations, their Laredo stores are number one in their corporate families in terms of sales per square footage – and we expect to see the new bookstore at the top of its corporate family, as well. It is interesting to note that last year, Laredo ranked

157th out of the top 184 on Forbes Magazine's list of best small cities for business and careers. I would like to recognize the efforts of Javier Garza, the Laredo Development Foundation chairman of the Board, as he leads LDF into the next phase of the city's economic development, which may include opportunities in capitalizing on the opportunities that the eagle ford shale drilling in the area will provide for the region's economy in the decade to come.

((Public Safety))

Border safety has been on the forefront of national security for every citizen and elected official throughout the country. But for Laredo, homeland security has always meant hometown security. Thanks to the solid relationship that the City of Laredo has developed between all of our local, state and federal law enforcement agencies, our city remains one of the safest on the US/Mexico border.

I am very proud to report that in 2010 we saw a sizeable drop in overall crime of 22%. That includes drops in violent and property crimes and a whopping 35% decrease in auto-theft cases! In fact, in a recent Department of Public Safety Uniform Crime Report, Laredo ranks #1 in reduction of crime among 34 cities with a population of one hundred thousand or more.

We will continue to work on fighting crime in our city so that the nation and the world can know that Laredo is **Not** infested with crime and is a safe place to live, work and visit! The safety of every citizen in our community has always been and will always be **our** number one priority! We will continue to invest in the public safety of Laredo, with the best officers and first responders and by providing them with the best training and equipment, some of which you saw outside on your way in, to keep Laredo safe.

However, more importantly than the equipment and training are the officers and firefighters themselves – Laredo's finest and Laredo's bravest – who are examples of true heroes.

Laredo Police Officer Albert Tijerina, who, exactly one year ago, was a three-year veteran on the police force when he responded to a call of a young boy who had drowned in a pool. When Officer Tijerina arrived, the scene was grim: a young 4-year old Nathan Huerta who had been found in the water, not breathing. Tirelessly, and with no thought other than saving the life of the young child, Officer Tijerina performed CPR on the young boy seven times, until the boy responded and began expelling the water from his body. When paramedics arrived, they were able to take over and rush him to the hospital. Nathan survived his ordeal and today is a happy and energetic little boy, thanks to Officer Tijerina. We are all thankful to have Officer Tijerina, and countless other officers like him, with the same drive and commitment to public safety on our Laredo Police force. Thank you Officer Tijerina.

Responding in an emergency is what our first responders do: they run to the danger when everyone runs away from it. That's just what happened a few months ago when a devastating wild fire, burning in Nuevo Laredo jumped the banks and threatened the City of El Cenizo, a Sister City in our great county of Webb.

Under the direction of Fire Chief Steve Landin, fire crews and equipment were sent to control the out of control blaze, to protect life and property. District Chief Paul Rodriguez was the incident commander for this fire, this fire that was outside of the City limits of Laredo, outside of the limits of our taxpaying dollars responsibility, but, still, close enough to our brothers in this county, that everyone of the twenty City of Laredo firefighters who responded to this fire worked hard and as a team with the multiple fire units on site, whether they were volunteer firefighters or simply citizens from El Cenizo, who operated under the steady command of Chief Rodriguez and the other Laredo firefighters, until the last ember was out and all necessary precautions to prevent flare-ups were completed. Chief Rodriguez, and all the Laredo firefighters responded to this blaze answered the call because our neighbors were in danger and it was the right thing to do. Thank you Chief Rodriguez and thank you to the Laredo Firefighters.

Security also includes public health and thanks to several federal grants, advances with the certification of the biosafety laboratory level III lab at the City of Laredo Health Department now allows us to test for any biological threat, and potential contamination of food products and ensure water quality.

((Lobbying efforts))

As I mentioned earlier, it is imperative that we continue to lobby lawmakers at the state and national level. Without this major component in our efforts to make Laredo a better and safer place...and our efforts to improve the quality of life for our residents...we will wind up losing state and federal funding that we cannot afford to lose. For example, just this year, the City of Laredo was recently awarded a 3.8 million dollar Department of Homeland Security SAFER grant for the Laredo Fire Department to hire 30 new full-time frontline firefighters. It does help to have a Laredoan in Congress...our own Henry Cuellar.

In fact, I would like to recognize our state legislative and federal congressional delegation for all they have done, and continue to do, to benefit Laredo...through our lobbying efforts and their dedication and hard work for Laredo, the city has received millions of dollars in stimulus and grant money for major city infrastructure projects that enhance our investment for the future, improve the quality of life for our citizens and keep our community safe.

((Stimulus))

I want to take the time to thank all our honorable elected officials for their hard work and commitment to the betterment of Laredo...our congressman, Henry Cuellar...our state senator, Judith Zaffirini...our state representatives, Ryan Guillen, and Richard Pena Raymond, and of course, a very special *abrazo* to my colleagues, the members of the Laredo City Council:

1. Council Member Mike Garza, District I;
2. Council Member Esteban Rangel, District II;
3. Council Member Alex Perez, Jr., District III;
4. Council Member Juan Narvaez, District IV;
5. Mayor Pro Tempore Johnny Rendon, Council Member, District V;
6. Council Member Charlie San Miguel, District VI;
7. Council Member Jose A. Valdez, Jr., District VII;
8. Council Member Cindy Liendo Espinoza; District VIII.

Thank you all for your passion, dedication, and even personal sacrifices that you make so that Laredo remains the great and wonderful city that it is today and for the work you do to make it so for the future.

I would like to give credit to Congressman Henry Cuellar for his assistance in helping us get the sizeable grant in stimulus money for our city that came through the American Recovery and Reinvestment Act of 2009. The grant has allowed us to proceed with needed capital infrastructure improvements, while at the same time creating jobs and boosting our local economy. We have put this stimulus money to good use for the benefit of our community as it continues to grow and prosper.

None of this could happen without the hard and dedicated work of your city council and city staff. I'd like to showcase some of the major projects that the city has been able to achieve thus far.

((Infrastructure projects- Transportation))

Regarding transportation...we just completed a 5.4-million dollar lane expansion at the World Trade Bridge. This project added seven additional inspection lanes, nearly doubling our capacity to process commercial traffic at that bridge. Refrigerated inspection facilities are under construction at the World Trade and Camino Colombia bridges and we expect them to be operational by August of this year. Plans for a fire station and federal inspection facility at the Laredo International Airport are well underway and will be functional in March 2012. This is important to our city's infrastructure investment because we expect to see a continued and significant increase in air freight demand over the next several years.

((Infrastructure projects- roads))

Let's move on to the Streets of Laredo. Since 2008, more than two-thousand streets have been resurfaced. Your city has invested 15-million-dollars in street and roadway improvements to meet the needs of a growing population.

Another major roadway project is the Cuatro Vientos road interchange, also known as the 359 overpass in South Laredo.

The Cuatro Vientos project is a major undertaking and will provide for better traffic flow and reduce traffic congestion in that high-growth area, which includes Loop 20 and state highway 83. This 97-million dollar project is expected to be completed in May of next year. What a welcome relief it will be for our citizens who live in that part of the city. We know this project will boost and enhance continued growth and business development in South Laredo.

I should mention that Cuatro Vientos almost didn't happen! The State Legislature had announced that funding was cut for the project, and, here...once again...is further proof that lobbying is very effective in securing funding for Laredo's growth.

When we heard that funding for the project had been cut from the state budget, City Manager Carlos Villarreal immediately stepped to the plate! He made some calls, gathered several city representatives and headed to Austin. Once there, strong lobby efforts resulted in a green light for Cuatro Vientos...a major win for Laredo!

((Infrastructure projects- Utilities))

Water is life and in a community as hot as Laredo, we know how important water is to our very existence! The 50 million dollars in stimulus money we received allowed us to greatly improve our water system. In addition, over 180-million dollars in municipal bond projects mean that our city has a modern water system in place that will serve not only the citizens of Laredo, but those of Webb County as well...for decades to come. When you have a city growing as fast as Laredo, it is critical for us to have a system that can handle the increasing demands and future growth of this community.

You've seen new water tanks, waterline and sewer replacements with those blue water pipes...many upgrades that have brought Laredo's water system up to date and ready to handle new infrastructure and economic development that this city will continue to experience.

It wasn't that long ago that city crews were responding to as many as 20 water line breaks a day...**20 a day!** Now, I am happy to report that we have made significant progress and have brought that number down to **five or less a week!** What an improvement to our quality of life!

((Quality of Life Projects))

All of your elected officials come into office focused on improving the quality of life for all citizens. It is something we all take very seriously. Health, recreation and community involvement are some areas that are high on the list. In fact, I have created commissions on International Trade, the elderly and public health to look into how we can to **continue** to improve our quality of life.

We have strengthened our recreational programming to include activities for the elderly because of their wisdom and life experiences, they are a treasure to us all and we should honor them as much as our youth.

And Laredo's youth are the future of our city and we need to make sure we take care of them all so that they all have a future to look forward to. In fact, thanks to the efforts of City of Laredo Health Department Director Dr. Hector Gonzalez and one very brave little girl, Gabriela Hernandez, we are addressing that issue. In 2008, 8-year old Gabby was battling leukemia/pediatric cancer and her family turned to Dr. Gonzalez for advice to help find resources and support. From this initial meeting, we have been able to identify 100 other brave children in our community who are battling cancer. Thanks to the establishment of the Blue Ribbon Commission on Health Issues, these children and their families now have a network of resources and support to help them. Gabby couldn't be here with us today, but her mother, Wendy Hernandez, is here representing her. Mrs. Hernandez, please tell Gabby that we are thinking of her beautiful smile and brave spirit. She and the other children are an inspiration to us all.

In the last five years, \$429.5-million-dollars has been spent on projects that improve the quality of life for all who call Laredo home. These projects include parks, recreation and health facilities, community centers, and libraries, to name a few. The investment in these facilities is vital to the continued economic growth of our community, because these projects help attract investors, new businesses and newcomers to our community.

We have new and exciting projects under development and in use in many areas of Laredo. North Central Park, with its walking and jogging trails and host site for the ever popular Spring Break Kite Festival, continues to grow and improve and be used by citizens from throughout Laredo. The new northwest recreation center and library, scheduled to be completed this fall, will serve that area with play activities and a brand new branch library that should be a welcome addition to that part of town.

To the south, we have El Eden Recreation Center which offers art designs and wellness programs for citizens. The soon to be completed Independence Hills Park will offer trails, recreational amenities and the first ever dedicated dog park for all of our residents. We will soon have the new south branch public library, to be named for the late, great philanthropist Fernando Salinas, also set for opening this fall to serve the needs of South Laredo and which will provide citizens young and old with the most wonderful thing in the world – books and access to books and more books and other resources and activities designed to enhance literacy and the education of our community.

In central and east Laredo, many park amenities have been added to existing parks...such as walking tracks, baseball field improvements, and the newly opened Slaughter Park located along the river. Also soon to open, the Haynes Health and Wellness Recreation Center...a state-of-the-art facility that will serve our citizens with special needs, hopefully the first of many such centers.

In downtown Laredo, the San Bernardo Avenue project is gearing up for a makeover that is sure to attract tourists and residents alike. The master plan features an entertainment district, art and green spaces, plazas, and an expanded farmers market...this will be a true cultural destination for Laredoans and more. The City of Laredo has a major investment in developing and restoring our downtown to be a retail and entertainment mecca, a visual representation of Laredo's spirit and culture. However, such project don't come cheaply and they don't happen alone. Only by working with downtown and other businesses and non-profit organizations to form public/private partnerships for investment and development opportunities will help make this downtown master plan a reality, giving us a downtown that we can all be proud of.

This past Saturday, the City of Laredo officially broke ground on our new baseball stadium – The Ballpark at Laredo – and with it, a field of dreams for another generation of Laredo baseball fans will soon become a reality. With the construction of the baseball stadium, this project will have a major and long-lasting impact on both our citizens and economy well beyond the cost of construction. This new multi-purpose facility will have more than six-thousand seats and will be a welcome addition to our citizens and the surrounding area. The total cost for the project will be \$18 million. Funding for the project comes from sales tax that was originally set aside in 2000 for the construction and development of an entertainment complex, which included the Laredo Energy Arena. In 2008, voters approved for a portion of those same

tax dollars – not a new tax – to be diverted to construct the baseball stadium. The baseball stadium is expected to be completed for the 2012 baseball season.

If perhaps your swing leans more toward a titanium grip, then get ready to be wowed by the utter beauty and excellent play that will be offered at the Max A. Mandel Municipal Golf Course, which is already under construction and scheduled to be completed this fall! This project is a perfect example of public/private partnership that will enhance the quality of life for residents and visitors to our city and with it, the economic and marketability of this city for you, our business partners.

Situated on 270 acres of land on the banks of the Rio Grande, this course is already being touted as the best public golf course in Texas by our world-renowned golf course architect, Robert Trent Jones II. It is sure to be a catalyst for business development and investment in our community, and we hope that the entire community will take advantage of having this world-class facility right in their backyard.

((Customer Satisfaction rating survey))

We, in your city government always try to find ways to better serve our residents. Recently, we developed a new campaign that allows you to rate your experiences and provide input about our customer service. I would encourage you to visit the city's website and take the survey. Customer Service is always a priority for the City of Laredo.

But customer service goes both ways. The City of Laredo has long been fortunate to have several volunteers in our community who wish to serve their city, their neighbors, not as public officials, not as employees, but simply, in the great tradition established by President Kennedy, as local volunteers, helping their community. One such volunteer is Francisco Flores Jr., who first began volunteering with the City of Laredo in November 2007. He has accumulated 4 thousand 779 hours since then by taking care of a downtown parking lot and making sure that people throw their trash in the appropriate bins. Mr. Flores is the spokesperson for the Downtown Beautification Project of the Solid Waste Services Department and also rolls the blue recycle bags at the same time as he takes care of the lot. This young-in-spirit gentleman has won several awards since he began volunteering, including: the 2011 Co-Volunteer of the Year Award; the 2010 Volunteer of the Year Award; and the 2009 Rising Star Award.

But volunteerism isn't a virtue exclusive to the retired set. David Santos began volunteering at the young age of 14 as a freshman at United High School. He has accumulated 5 thousand 572 hours by rolling blue bags, working at the Laredo Public Library, and picking up trash on weekends. He also has won several awards with the Volunteer Center, including the 2011 Co-Volunteer of the Year Award; the 2009 Volunteer of the Year Award; and the 2008 Rising Star Award, all while graduating as salutatorian from United High School just two weeks ago.

Between the two of these outstanding citizens, the City of Laredo has saved 69 thousand, 247 dollars thanks to for anyone of us to make a difference.

Laredo is a city on the move and to keep moving forward we MUST remain competitive. This city emphasizes its partnerships with the business community, especially in working with the Laredo Chamber of Commerce to promote the businesses of our community. Like all of you, whether at your businesses or even in your own personal finances, we must all learn to do more with less, but working together for the betterment of our community, we will succeed. We still have much to do because all of us, from your public servants, the elected officials, to the employees of the City of Laredo, as well as all of you in the audience, whether you are a business owner, one of our educational leaders, or simply a private citizen, we all **not only** have a stake in our future, **but also**, have a role to play in continuing to improve and help our city of Laredo grow and prosper. In fact, everything you have seen and heard here today is an investment in your future, in your children's future. By working together, with faith in God, strong public/private partnerships, an ability to see the big picture of the future of our community and a willingness to roll up our sleeves and work hard...the sky is truly the limit!

I would like to take this moment to thank you for being here today: to the Laredo Chamber of Commerce for hosting this luncheon and to all of our sponsors and to all the businesses that are represented here, for it is by your example and leadership that together, we can and we will move Laredo forward.

Friends, I am happy to report to you today, June 15, 2011...that the State of our City is better than it has ever been, and with your help...and God's help... it can only get better! After all, there is always a reason to celebrate in Laredo. God Bless the City of Laredo and every citizen of our great city. Thank you and *muchísimas gracias!*