



**Office of the Mayor
City of Los Angeles
ANTONIO R. VILLARAIGOSA**

**Building Our Future Today
The 2012 State of the City Address: Remarks as Prepared for Delivery
April 18, 2012**

Good Afternoon. I would like to thank Paramount Pictures for hosting us in this lovely venue today.

President Wesson; Members of the City Council; City Controller Greuel; City Attorney Trutanich; School Board President Garcia; Superintendent Deasy; members of the School Board; commissioners; community leaders; distinguished guests; fellow Angelenos.

This is my second to last report to you on the state of Los Angeles. My final term as Mayor will come to a close in 14 short months. Or as some would say, in 14 long months.

Now, don't go getting wistful on me. Here's what I say: I say we don't have a moment to lose. I say, in the coming 14 months, we're going to wake up each and every morning reminding ourselves of the need for speed.

And not only that. Every single day, we are going to go to work with a determination to look forward, not back. Satchel Paige said it best: "Never look back. They may be gaining on you!" Angelenos, we're not looking back—that's not what we do—and we don't have a moment to lose.

In the coming months, we're not just going to finish how we started. We're going to finish what we started. I promised you the day I took office that my administration would be characterized by our willingness to think big and take on our biggest challenges. You have my word. As long as I'm your Mayor, we're going to dig deep, double down and bring home big results. Because we must.

Over the last two years, our economy has been growing – that's the good news. But that growth has been tenuous and uneven. How do you describe the human dimensions of a 13% unemployment rate? A rate which dramatically undercounts the problem, especially in our most vulnerable neighborhoods.

And this is where it all starts. We have to do everything we can to accelerate the recovery—house by house, block by block, neighborhood by neighborhood—to put people back to work.

That's why, as President of the US Conference of Mayors, I have travelled to Washington DC frequently in the last year. It's simple. If we are going to move the needle on jobs, LA needs a productive partner inside the Beltway.

And I have a message to Congress: LA matters. New York matters. Chicago matters. Cities matter.

Cities represent the hopes and dreams of America, the ideas and ideals of the people. Cities and metro regions are driving the US economy and powering our nation's recovery. That's right. From downtown to the suburbs, over 90% of the nation's economic output and 85% of our country's jobs are being generated in cities.

Yet, over the last three years, cities have done more with considerably less. We've balanced painful budgets. Cities have withstood and absorbed a Great Retreat from Washington and Sacramento. Less money for cops. The elimination of community redevelopment. A realignment of our criminal justice system that places even greater pressures on local government.

So we've gone to Washington with a message: Cities are doing our part, now we need Congress to do theirs. We need Congress to act on jobs. We need Congress to pass a Transportation Bill – to make the smart investments we need in transportation, infrastructure and workforce development.

And we need Congress to support innovative policies like America Fast Forward. It's a straightforward idea. Help local governments speed up the construction of locally-funded road and rail projects with low-interest financing.

Over the last year, we've built an impressive coalition for this powerful idea. 188 Mayors from across the country—Democrat and Republican—have pledged their support for America Fast Forward. The AFL/CIO and the US Chamber of Commerce have both signed on – and folks, it doesn't get more bipartisan than that.

Labor supports the idea because they understand that we need a program that will generate a million jobs. The Chamber supports it because they understand we can't get our economy really moving again without 21st Century infrastructure.

We need to build our future today.

Thanks to the leadership of Senator Barbara Boxer, Representative John Mica and our coalition partners from across the country, the America Fast Forward plan is a centerpiece of the Transportation bill. Last month, the bill passed the Senate on a bipartisan vote of 74-22. It's hit a snag in the House. The House just delayed action for the ninth time, making the Transportation Bill three years past due.

I will take the fight for LA straight to DC. We don't need more partisan gridlock. It's time for some common sense for the common good. We need America Fast Forward.

But that's just the first part of my message today. The second part?

Regardless of what Washington does, we are not going to wait another day.

The state of our city is resilient and resourceful. Angelenos remain creative and confident. We will make the decisions and promote the policies that will generate jobs and grow our economy. We will think big and we will be bold.

In 2008, over two-thirds of LA County voters approved Measure R, a \$40 billion dollar investment in more transit lines, safer roads and highways, and better, more efficient bus and rail service.

With Measure R, Los Angeles moved forward while Washington and Sacramento took a step back. Voters initiated one of the largest community improvement projects in the country. It funds major freeway projects and gives the 88 cities across the County money to make local transportation improvements.

More importantly, it funds 12 rail and bus lines across Los Angeles. It links up light rail lines in downtown Los Angeles that connect West LA, Long Beach, East LA, and the San Gabriel Valley. It connects LAX to the regional transit network, it funds the first rail line to West LA in modern history, and it pays for three lines in the San Fernando Valley.

What does this all mean? It means Angelenos will have more transit options. It means that Angelenos will spend less time in their cars and more time doing the things that matter: Playing with their kids. Talking with their neighbors. Enjoying a day at the beach. It means making Los Angeles the capital of sustainability, not smog. It means remaking the face of LA and finally taking us beyond sprawl.

In the last seven years, we opened up the Orange Line and the Eastside extension, secured billions in new funding, started planning and designing a dozen new projects, and have four major lines under construction: the Exposition Line, the Orange Line extension, the Foothill extension of the Gold Line to Azusa, and Expo Phase 2 to Santa Monica.

In the next few months both the Expo Line Phase 1 to Culver City and the Orange Line extension to Chatsworth will open for service. And by next year we expect to start construction on three more projects: the Crenshaw Line, the Regional Connector, and the Wilshire subway.

This investment in mass transit is unprecedented. And if that wasn't enough return on our local investment, over the lifetime of Measure R, we will put over 410,000 people to work and make it easier for Angelenos to get to work.

The successful passage of Measure R taught us something about Los Angeles. This is a city willing to invest in itself. This is a city willing to lead and to chart a new path. And that is why today I am announcing that we will be asking voters to continue Measure R until the voters themselves decide to end it.

By extending Measure R, we will be creating jobs, relieving traffic congestion, and completing all of the light rail and subway projects in a single decade, instead of three. With these new resources in place, we can build faster, more effectively, more efficiently and at a lower cost. We will measure traffic relief in years, not generations.

Projects that were scheduled to be completed close to the middle of the century—game-changing projects like the Sepulveda Pass rail line and the Wilshire Subway—can now be completed in a little over a decade.

We are currently investing over four billion dollars to modernize LAX. When we are done in 2017, we will have an airport equal to our style and our spirit, but according to the current long range transportation plan, we will have to wait until 2029 to have a direct transit connection to LAX. This just isn't good enough. By extending Measure R, we could be done in six years.

Extending Measure R will not only benefit our rail system. It will facilitate the acceleration of key highway projects. It will create jobs and boost our economy. In the end, it will bring us closer to the vision of Los Angeles that Mayor Tom Bradley spent his whole life fighting for. A vision of the most diverse city in the world drawn closer together by a world class transit system.

Our efforts to create jobs won't stop there. We've seen great success in our jobs team. Just this past year, the electric car manufacturers BYD and CODA opened up their North American headquarters here in Los Angeles. Lucky Jeans recently opened its new headquarters with 250 employees in Downtown's Arts District. Google with over 600 employees now resides at Silicon Beach in Venice. Last year, Farmers' Insurance opened a new operations center with 1,200 employees in Woodland Hills. Gensler, the world's largest architecture firm, has brought its headquarters and its 350 employees, to our Downtown.

These firms could have gone anywhere. They had many suitors. But they chose Los Angeles because we are creating the economic ecosystem where businesses like these will thrive. Businesses that will generate good-paying jobs in the high growth industries of the future.

We are changing the way Los Angeles does business by making it easier to do business in Los Angeles. If you want to build something in LA, you no longer have to go to more than a dozen different departments for project guidance. And if you are a new business, you don't have to pay our business tax for the first three years that you are here. According the Office of Finance, the number of new firms grossing \$500,000 and above has doubled since we implemented the business tax holiday.

We have created the Mayor's Office of Small Business to develop sound and strategic policies for the nation's epicenter for small business. Each year, our City signs over 2,000 contracts for goods and services worth nearly \$2 billion. Our recently enacted Local Preference Ordinance gives local businesses an eight percent competitive advantage when they bid on these contracts. We passed the local preference ordinance because we want local dollars to go to local businesses.

The Los Angeles region exports \$80 billion in goods and the export sector supports over 530,000 jobs. These are big numbers, and we want to make them even bigger.

We have created the Los Angeles Regional Export Council to encourage local businesses to become successful exporters. We have leveraged our unique municipal assets – our port, our airport, our utility – to drive investment.

While the Port's Clean Trucks program has dramatically reduced pollution throughout our region, it has also pumped a billion dollars into the economy as trucking companies have invested in state-of-the-art trucks.

The DWP is one of the key partners of our Cleantech Incubator. The incubator's new La Kretz Innovation Campus will break ground later this year. When it is done, it will provide office and work space for 20-30 start-ups. And Los Angeles will continue to grow as a magnet for green companies and as a greener, healthier place to work and live!

All of these initiatives have added significantly to our economic development toolkit. But one critical tool is still missing. Unlike other major cities, we do not have a dedicated economic development non-profit to craft a citywide business growth and job creation strategy.

Without a strategic vision, without collaboration and coordination, and on the heels of losing our Community Redevelopment Agency, we are missing critical opportunities to tap the full potential of our economic assets.

As we emerge from the recession and our economy picks up steam, the time is right to correct this flaw. We need an engine of economic development that can target City Hall's woeful lack of customer focus. Our rules and processes are still too complex. We need an organization that can tackle the stubborn problem of economic opportunity.

We have 720,000 Angelenos living on the wrong side of the poverty line – a city the size of San Francisco. We must take up the vital mission of bringing the benefits of economic growth to every part of Los Angeles. If our economy is to work, it has to work for everyone.

Create private sector jobs; generate revenue; encourage economic opportunity. Those are the goals.

In my budget, I will propose \$2.5 million dollars in initial funding to create the economic development organization to reach these milestones. We're going to work with City Council and let everyone know that LA is open for business.

But we will not capitalize on the investments that we have made in our infrastructure and we will not realize the full potential of the forward thinking economic policies we have put in place if our fiscal house is not in order.

In the last three years, we have faced some of the most challenging city budgets in generations. We've made the tough decisions. We have had to cut services and programs. We have eliminated entire departments. We have increased employee contributions towards post-employment benefits and we have established a new pension tier for future sworn employees. These measures have saved hundreds of millions of dollars and have substantially reduced our structural deficit, but we must continue to fight for reform.

The budget I will release on Friday will be balanced. I promise you this: This budget is prudent, this budget is responsible, it will protect vital services that Angelenos rely on, and it will ensure that the City stays on a trajectory of long-term fiscal stability.

It will continue our steady and significant progress toward eliminating our structural deficit. This budget will include reforms to our civilian pension plan. I will propose that City employees share in the increased costs of their health benefits.

By working in partnership with the City Council, I am confident that we will let common sense serve the common good, and we will build a stronger Los Angeles for the families we serve and for the generations to come.

Bringing our far-flung metropolis together with new rails and roads, leveraging our infrastructure investments to put Angelenos back to work, supporting the businesses of the future that will offer the jobs of the future—these are all smart public policies today.

But they are more than that. They are the means of building a better, a more hopeful Los Angeles for the next generation, because through bitter experience and shared history we have learned what can happen when too many Angelenos live without hope.

How can we measure the state of our city without remembering how 20 years ago this month, Los Angeles erupted into violence. Neighborhoods burned, 53 people died, thousands more were bruised and battered. Smoke hung over the city, burning eyes and searing our soul. The death and damage of those six days finally forced us to come to grips with the hard truth. LA was a city divided.

The Los Angeles of 2012 is a different city. The Los Angeles of 2012 is a better city. Somewhere in the heavens, Tom Bradley is smiling today. In the two decades since those six days in April, we forged a new partnership between the LAPD and the community – based on respect. We changed the culture of policing in LA and enshrined constitutional policing as the bedrock principle of the LAPD. We recruited a new generation of officers. We now have a force that reflects the many different communities it serves.

On a per capita basis, crime is as low today as it was when Eisenhower was in the White House and Warren was in the State House.

But we are a better city not just because we are a safer city. We are a better city because we have also learned to celebrate our diversity. We are proud of it. We are a better city today because we have reached beyond the lines of class and color and have come together in common purpose.

One-half of the funding for our Summer Night Lights program comes from corporations and philanthropy from all across the city, because they understand what happens in a park in Pacoima touches us all.

Throughout Los Angeles, parents, teachers, students, civic and community groups have come together to support school reform across the city, not just in their neighborhoods. They understand that the educational futures of our children must not be determined by lottery or zip code. So together we've fought, and together we've begun to change the daily lives for our children.

In the last seven years, despite devastating budget cuts, the number of LAUSD schools meeting the state goal of 800 API has more than doubled while low scoring schools – those with an API below 650 – have been reduced from one in three to one in 10.

Since 2005, we have doubled the number of charter schools, but more importantly, we have seen a nearly five-fold increase in the number of charters scoring 800 or above on the API.

Since 1996, voter-approved bond initiatives have brought in nearly \$20 billion, allowing us to build 111 new schools. We had 227 overcrowded schools on multi-track calendars. Now, only 20 of those schools remain and by fall, there will only be three.

With strategies such as our Public School Choice initiative centered on teacher-led reform and a no-excuses mindset, we have seen nearly 140 schools undergo aggressive turnaround efforts.

And our Partnership for Los Angeles Schools has seen results. API scores are up 50 points over the last three years, which means we are outpacing both the district and the state. Our students are moving forward; they're going places. Let's help them to pick up the pace even more. Let's work together to offer Los Angeles families more educational options and better educational options.

Let's work together to turn our schools into academies of achievement, rather than factories of failure. Let's work together and make our schools crucibles of success. Together, let's open the door of opportunity for our children.

The writer Anne Lamont reminds us about the power of hope. She said, "Hope, begins in the dark, the stubborn hope that if you show up and try to do the right thing, the dawn will come."

Angelenos, we can't be discouraged by the critics or distracted by the cynics. Remember what the cynics said about Mayor Bradley when he offered an idea as audacious as building mass transit in the car capital of the world. They called it a "subway to nowhere."

Remember what Mayor Bradley always said. We have the power.

From tangible improvements in transportation that have connected people to jobs and jobs to people, to economic development that has breathed new life into our city, we are headed in the right direction. But this is only the beginning, and it is not enough.

I don't want you to think just of what we have accomplished. I want you to imagine how much more we can do – together. Los Angeles is a city where people make miracles happen every day, and this is why Los Angeles has always been the destination of so many dreamers around the world. We can do anything we put our minds to, and we know what we need to do.

Angelenos, we can build our future today. We can put our people back to work. We can make the promise of a free quality public education real in the second largest city in the United States. We can overcome our City's tragic legacy of discrimination. We can be safer than ever. We can be a closer city. We can be a more connected city.

We can do it. Angelenos, let's remember how futures are built. Join me. We don't have a moment to lose.

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