

Mayor's Speech: 2018 State of the City

We do something in the city now that we haven't historically done – and that is, the mayor and the council and the clerk sharing the stage again. The last four years you've gotten used to this, but it used to be the mayor was up here and the council if they were there were somewhere out in the audience. But if you look at what we've dealt with together, it has been a partnership, and it was the only way we could succeed. And this is a time for me to acknowledge the partners who have made everything good happening in the city possible.

Let me start with our Council President, Brenda Jones.

A great voice for affordable housing, the President Pro-Tem, Mary Sheffield.

We have a council member with the toughest job of all. She has stepped in and taken over the budget, with all of about four weeks to get it done, doing a great job, Councilmember Janeé Ayers.

A man who knows every nook and cranny in the First District, every block club, he's there, James Tate.

One of the most respected officers in the Detroit Police Department and our newest Councilmember, Roy McCallister.

Our strongest voice on everything related to economic development, Councilmember Scott Benson.

The man behind the new rental enforcement ordinance and the cameras in the gas stations, a great innovator from the east side, Councilmember Andre Spivey.

The single hardest fighter I've ever met in my life for everything she believes in, Councilmember Raquel Castañeda-López.

One of the best public officials this state has ever had was former state representative, state senator and county Commissioner Burton Leland, and we unfortunately lost Burton last week. But I know he's just enormously proud of the outstanding public servant his son has become, Councilmember Gabe Leland.

And our great County Clerk, Janice Winfrey.

So the other thing that we've done our outstanding City Clerk, OK, so Alexis wants me to read this speech off a Teleprompter, and she might be right. That probably isn't the last mistake I'm going to make tonight, so sorry, Madame Clerk.

So the other change in tradition that we made besides the mayor freelancing on introducing the elected officials is that we started to move this state of the city around in different areas. We went out to the Old Redford Theater and it was extremely well received. Then we went over to the east side to Second Ebenezer Church and I really wanted to come to southwest Detroit and in particular I guess some folks here I know people from southwest feel like they're not always remembered but I could not forget because here at Western High School my grandmother Mable Kelly graduated in the class of 1909. This was her neighborhood and she got her love of learning here at Western. She went on to what we now know as Eastern Michigan University, became a school teacher in the Detroit Public Schools for many years, got married next door at Holy Redeemer Church. This was a neighborhood that has strong roots in my family. That was about a hundred years ago. More recently, my mother in the 1990s was head of a nonprofit called Life Directions that dealt with trouble youth and she placed herself in this building at Western international High School, where she was here every day with girls dealing with their issues and their problems. She felt like she needed to be where those who needed her the most were, and I would hear stories night after night from my mom on what our young people were going through. And I think about my grandmother who saw Detroit through a lot of good days, my mom being down in this neighborhood in tougher days. But it's interesting what one person can do. So my mother looked at all these kids with nothing to do after school. A lot of people living in this part of the area are immigrants from countries where they deeply valued soccer so she went out and decided she was going to start a soccer league and she recruited this young soccer player by the name of Tim Richie and she said I want you to come in and start a soccer league in Detroit for Life Directions. Well, 20 years later Tim Richie's head of PAL. He built that beautiful facility at Michigan in Trumbull, and we now have 2,000 young people playing soccer. So when I come back to this neighborhood, I think about what it's meant over the years. When I walk into Holy Redeemer Church, I always stop in the back of the church because my grandma saved her money from being a schoolteacher and her church was so important to her she paid out of a school teacher salary for the Stations of the Cross that are still in that church, and you can go in the back of that church now and the plaque's there, stations the cross donated by Mrs. Patrick Duggan back in the 1920s. This community has been very important for people's dreams for a long time, and so I want to say to the

principal here, Angel Garcia, and to the Western High School community, thank you very much for hosting me.

Dr. Vitti, thank you for the introduction earlier, and this is going to be maybe a kind of a state of speech you're not really used to. It's not going to be a lot of rhetoric and stuff. It's going to be a lot of substance, and I really want to talk to the people of Detroit and say, we have a clear direction where we go the next four years, and I'm going to talk to you today in great detail about what I see. But you have to start with where we come from, and the people who are making it possible. And at this point I'd like to ask the men and women of this city's cabinet to stand up and be introduced. They're working 80-hour weeks and are doing a great job. For our 18 members of cabinet please stand up. Thank you for your service.

So, where do we come from? The numbers, I still can't get my mind around. The 10 years before I was elected this city lost 244,000 people in ten years. And so how big is that? We lost 26%. That same decade the city of New Orleans had Katrina, the city largely flooded. In the same decade New Orleans had Katrina, New Orleans only lost 17 percent of their population. That's how devastating the financial and services crisis was to this city, and if you look at the 10 largest populations cities in Michigan today, Detroit's the largest goes down at Livonia. You know what the second-largest city would be? The people who left Detroit in ten years. They would constitute the second largest city in Michigan. That's what we're dealing with. There was that many people left. It left behind a city with the highest unemployment rate in the United States. It left behind the highest poverty rate, the highest murder rate, and left us in a position where we were unable to pay our bills. And so when I was sworn in four years ago, we were still losing a thousand people a month, and when I stood here four years ago, I said this: Give us six months. And people thought I was crazy. What are you going to do in six months? But we had to stop the exodus because when you're losing a thousand people a month there's no way to run a city. I just said I think we can get the street lights on. I think we can get the police to show up. I think we get the grass cut in parks. Just pause.

And I want to talk today to those of you who stayed, and that was a great majority because that departure has slowed to a trickle. And I want to talk today about what you're going to see because you did stay. And I'm going to start with the future, with the ones who have been most forgotten in the last decade, and that is our children. It seemed like every time there were budget cuts what happened?

Schools were devastated, parks were closed, rec centers were closed, youth programs were cut back and a huge portion of those 244,000 people who left were parents with school-age kids.

So we're going to start today by saying to the children, we want you to stay, and for those who did stay we make a real commitment. And the first commitment we made was that every Detroit child who graduates from a high school in Detroit will have college guaranteed to be paid for. That's the Detroit Promise, and we've implemented that. We became the first major city in America with a college tuition guarantee, and today in college under the promise ... 723 in community college, 459 at four-year universities. And I want to say thank you to Sandy Baruah of the Detroit Regional Chamber, Gov. Rick Snyder, Rich Baird and the whole team that raised the money to get this started ... The children who are 8, 10, 12 years old know that if they study hard the Detroit Promise will be there for them.

And so what it means is this that we are going to make sure that our kids not only go to school they succeed in school, because across the country, particularly in community college, dropout rates are astronomical. When we saw this is a problem, we added coaches who follow our young people to college, and here's what they found: Last year 63 percent of the kids who started the first year of community college made it to the second year because these coaches double the national average. Our kids are succeeding. And in the four-year schools -- and I know I see President Roy Wilson here -- we're having great success at Wayne State, 89% are doing this. We have smart kids who just need the opportunity. And so for our high school seniors, you're graduating this may, sign up now. Go to www.detroitpromise.org. If you're accepted to a community college you have two years tuition guaranteed. If you got a 3.0 grade point average and 21 on your ACT - four-year university tuition guarantee. And as one of our supporters likes to say, anybody thinking about selling their house in Detroit after you put the Century 21 sign on your front lawn you ought to put another sign that says with this house comes a free college education because that's what it means to be in the city of Detroit.

I talked to Dr. Vitti and I said what can I do to be helpful. He said the biggest thing we need right now is our career technical education program. It's just been devastated over the years. And so we put together a partnership with Gerry Anderson at DTE and the Ralph Wilson Foundation, got \$10 million in donations to rebuild the Randolph Center, all new equipment. And now our young people are learning electrical and plumbing and

carpentry, and next year we're going to add robotics and welding. We're doing it right here in the city of Detroit -- 300 kids enrolled this fall, 400 more next year, and in the fall of 18 we're going to raise another \$9 million for the Breithaupt Center for all of these programs, so those who don't want to go to college or may want to go later have another career. And thank you to Quicken for the \$1 million that got us going.

But the biggest thing I want to talk to you about right now is the role of the mayor and the support for public education, because in this city we have today 198 schools, 112 DPSCD and 86 charter, and I have said many times I believe in choice. I think we need to have quality DPS schools and we need to have quality charter schools and I am going to support both of those. And so Tanya Allen and 150 volunteers just came out with some recommendations and they asked the mayor to get involved, so last week -- I'm not imposing myself on anybody -- I invited all our charter operators in, Dr. Iris Taylor, president of school board, and Dr. Vitti and we had a meeting and I said let's talk about whether you want me involved, and I'm only going to act if you want me to, and here's the first thing: Parents need to have information to choose their schools, whether it used to be something at Excellent Schools Detroit that fell by the wayside, the state was supposed to do something which hasn't been done. And so I said, what if we do this what if we got representation from DPS and the charters, from the parent community and academics, and we put out report cards that parents could rely on every year? We did it together so parents had a basis for comparing. Would you all support that? And they said if the state gets behind that, we'd like to have you play that role.

That was very interesting. It's the most fascinating meeting ... it's almost historic. They're getting along and I'll show you the reason why the meeting went so well: because 32,000 Detroit children today attend school outside of the city, 51,000 today go to DPSCD, 35,000 attend charters, and 32,500 children got up this morning and went to school in a school in the suburbs. And that says that what we're doing is not working. And so, whether the parents feel we don't have good enough quality school or whether it's transportation I'm not sure, and as we point out there are some good transportation. Since we look at that -- isn't that a great school bus system? Covers the whole city of Detroit. That school bus system is the River Rouge Public Schools school buses. I'm going say that again. That little green in the bottom is the three square miles of River Rouge and they run 200 miles of bus routes through the City of Detroit every day

Now leave aside the education policy of the state that encouraged that. My question is, why is it working? And so what I've said to the DPS and the charters, it's working because we're not working together. We've got lots of schools who are nearby who could share resources and so I said, let's take an area in northwest Detroit, say Southfield to Livernois, and Fenkell to 8 Mile. And we've got about a dozen charter and DPS schools. Let's have a combined bus route that serves both of them. And maybe it looks like this -- this isn't final route but it gives you an idea of how the bus route could work. They do this in Denver. We'll fund it a third with philanthropy, a third through the city, third to the schools and here's how it will work. If you live in this part of northwest Detroit you can go to any one of these eight schools or ten schools. You walk or ride to the nearest school, you get on the bus and it can take you from the Detroit Achievement Academy on the west side over to Bagley if they've got a math program that you like. You can choose any school in this area. Will run the buses in two directions so that the ride won't take too long, and we're going to make a commitment to five years. We're going to make choice available so that being bused an hour away to River Rouge.

And they said we like that idea but it's not enough. One of the problems we have is we got parents who get home from work at 5 o'clock but their kids get out of school at 3. We need a place for these children to go. What if everybody on this loop got together, your loop's got the Northwest Activity Center. What if you ran a license daycare after school? The child could get on the bus, ride to the Northwest Activity Center, stay there till 5:00 or 5:30 in a safe environment, ride there loop back. And now every school has that program. And then another one said well, wait a minute, that's not enough we can't run a different robotics program, but what if we came together and had after-school programs like robotics or software programming, art or music, and somebody said how about if we just help the kids with their homework? What if we all came together and provided those kinds of after-school programs on these routes? And so this is the concept that we're talking about. We're shooting to get it done this fall. I don't know if it'll be six schools or 12 schools, but I can tell you from the enthusiasm that if we could get DPS and the charters working together and collaborating we could provide good choices right here in the City of Detroit, and my role is going to be to support them, not to choose sides between them. And if this works we're going replicate these routes in one area after another in the city so you never again have a kid riding an hour on a bus to go to another location

One of the other programs, of course, is Grow Detroit's Young Talent, and what the kids do during the summer. And I want to thank all of our business community

and the like, but you can, 8,000 kids enrolled last summer. If your company wants to hire us go to www.gdyt.org, you're a child who wants to sign up, we've got summer jobs with career tracks for you. So you're going to be covered not just during the school year but during the summer as well.

Of course one of the biggest issues we face is making Detroit safer, and I want to talk in some detail about our plans to reduce gun violence, and everything starts with the officers that we've lost in the last two years that we're never going to forget.

Capt Ken Steil.

Cprl. Myron Jarrett

Wayne State Sgt. Colin Rose.

And last month Officer Glenn Doss Jr. and Officer Darren Weathers.

And we never forget Officer Wallace Jasmine, who's still in a coma in fighting for his life.

They sacrifice for something they loved, to make this city safer for everybody, and the reason they did it is they know that we're making progress. They know that they made a difference. And I'm just somebody goes by facts and here were the homicides, in 2012, 386, highest homicide rate in country. It went down to 332 and then last year 267. We're down 30% in the last five years. We're no longer the highest homicide rate in the country but it's nothing to be proud of because now we're not talking about who's the highest we're talking about the national standards. Washington, D.C. had 116 homicides last year. Boston had 49. Washington, D.C. and Boston have populations almost the same size as ours.

Every city in America does not live with this violence, but we went to Boston which succeeded on a program called Ceasefire. We've brought it here and I want to talk to you about it tonight in some detail. You might have heard a little but we've been running it, talking directly to the criminals. We haven't so much talked about it in public but let me tell you what we've done. We took two precincts on the east side, precincts five and nine, and we start putting in dedicated gun units of ten to twelve officers who gather gang intelligence just on that and we had a concept of group responsibility. We almost always know which groups are beefing with each other

and if one group's involved in a shooting we put those 10 to 12 officers and everybody related to that group. We got coordinated law enforcement across all fronts. I'm really pleased to see Matthew Schneider here tonight, the U.S. Attorney. The U.S.

Attorney in Detroit in the last five years has had the best record in America in busting local drug and gun gangs and I appreciate the ongoing commitment. But we're partnered with Kym Worthy and the prosecutor's office, the state Department of Corrections, we all work together and then every couple of months we bring in 30 people that we think are likely violent offenders, we bring them into a church, and the U.S. attorney and the prosecutor and I sit and talk with them, and these are the so-called Ceasefire call-ins. And we say to these individuals, we have a lot of law enforcement coming after you if you commit a crime with a gun. We also have resources for you. We've got job training, we've got school, we've got help with your driver's licenses, and it's a very powerful evening. For an hour, we talk about the choices of prison and the choices of what you can do with your life. Usually it ends with a mom who's lost a son talking about the pain that's caused, and if you could see what occurs, and at the end of the night these young individuals sit down and eat dinner with the police and the like, and a combination of the gun enforcement was first in those precincts.

Then we added six eight and twelve, and so how is it working? Here are the precincts that didn't have Ceasefire in homicide last year. They rose 4 percent. Here are the precincts that had Ceasefire, dropped 26 percent. On the non-fatal shootings, the precincts that didn't have Ceasefire were OK, down 8 percent. The precincts at hand cease fire, down 15 percent. This program is working. So in January we extended to precincts four and seven, and by the end of this year, we're going go into every precinct. We know what the strategy is, but it's a person-by-person decision. And the partnership with the clergy is absolutely critical, the partnership with a job training program is absolutely critical. Every month five or six of these kids go to community college to get a job. One of them's cooking now at a downtown restaurant. Another one's a supervisor on an assembly line. There's a lot of talent, and we're doing our best to get them going the right direction.

And then of course, Green Light, 300 businesses in the last two years. And so now we've started to develop a corridors so instead of all those individual flashing green lights you're going to more and more see entire corridors with the more subdued kind of lighting. And these cases are being monitored real-time at police headquarters. And almost every week we get a case where somebody gets a

license plate, a shooter, an ID off of one of these and we have taken off in the last month carjackers, armed robbers in several cases because this is working. And since it's gone live two years ago, carjackers, which was our target, we had 516. This is 303. This isn't just in Green Light stations, this is across the city. We've seen a 40 percent reduction in carjacking.

So to those individuals who have been out there, the neighbors have been great. You don't have to explain to the public the value of this. Green light costs eight or ten bucks a day to a business, you already got cable it's five or six bucks a day, and so the neighbors have gone out to some of these trouble places and have helped persuade to these communities, these different businesses to do it. We're probably going to have 500 by the end of the year, and we think we're going to make a difference.

We've got another 141 DPD positions in the budget that I hope will be adopted in the next couple of weeks by City Council, 150 officers being trained in the police academy. They'll be on the street protecting us. We're putting them into the Green Light, we're putting them in to Ceasefire and we can do this if we stay with this program.

So -- chief Craig and all the men and women in the Detroit Police Department thank you for all that you're doing.

Something that I know everybody on this stage shares with me is to make sure that those who stayed in Detroit -- I'm talking about those who stayed -- can stay in their homes. And we remember this incident well that happened in Griswold in 2013 and when not only did the last administration support it but the council voted a tax abatement to move out what had been subsidized housing.

And this is a woman I met by the name of Stella Buchanan who was in that property, got pushed out. Ms. Buchanan lived most of her life in Detroit, graduated from Southeastern, worked at DPS and worked at Chrysler, retired, got a little apartment in Detroit, 48 years, evicted from Griswold. Moved to the Industrial Senior Building. Now, when the HUD credits expire -- usually they're for 15 or 30 years -- the owner of the building is entitled to move the subsidized renters out and put new people in. That happened to her at Griswold. She went to the Industrial Building on Washington, they told her credits ran out, she could be moving again. And as she said to me, I came downtown when there was nothing but me and the pigeons, OK? She said there was nothing here. Now we got parks

at Campus Martius and Beacon Place where I can go and listen to music. I can go over to Avalon and get a salad, I can go to Tim Horton's get a coffee. I got people on the street and now it feels like the city I love is pushing me out. We said that can't happen, and so Arthur Jemison and our team went and sat down with the folks at Industrial Senior Building, great partners in the Roxbury Group, and said we got a new policy. We're not going to move people out so others could move in, and they agreed and we got a commitment that Ms. Buchanan and all 127 of her fellow citizens will be able to stay in that apartment at low rent through the year 2047.

So is Stella Buchanan here? Ms. Buchanan. Thank you. You told me you plan to stay the whole 30 years. So we got that building done, and then we said what this is happening all over the city. We could have a couple of thousand of these. We went to Village Center and extended theirs and then went to Ryan Court and extended theirs until 2046 and then to Restoration Towers in northwest Detroit until 2031 and this one until 2031, Rivercrest out on the east side near me until 2046. Building owner by building owner, most were great and wanting to do this. But we're saying to folks for the next 30 years you can be sure that you can stay here and one of the most interesting is this one, Milner, was never a subsidized property, bought by Broder and Sachse. These are guys I gave a little bit of difficulty to about that apartment at Griswold, and they came to me and said we just bought this apartment. And I said that's not HUD subsidized, there's no rules here. They said we want to set a different standard and even though we're using our own money to renovate it's not HUD subsidized I want you to know every person in this apartment making less than \$40,000 a year and we're done with renovation is going have that apartment at a subsidized rate for the rest of their lives

So we're starting to build a different culture, 1,772 people like Stella Buchanan now know their homes are protected for anywhere from fifteen to thirty years because you stayed and we're going to make sure that you know that you're valued.

But keeping what we have isn't enough, and so we need to build more units. And so we made a commitment and now with the support in particular of Councilmember Sheffield you want to build a new unit with our support, 20 percent has to be affordable. And so this beautiful building in Midtown, 40 percent of the units are affordable, and this on the riverfront, another 20 percent. This is going up right

now in the new center area at 20 percent. The Treymore Apartments, 28 units in Midtown, 100 percent affordable.

And so I went to the opening the Treymore, and I got a chance to meet a fellow who came and talked to me by the name of Antonio McClure. And he came up and he says, I want you to meet my daughters. He's got a 7-year-old Amira and 6-year-old Alyssa and he says I grew up in Detroit but I care about my daughters. I share custody with their mom. I pick him up from school every day, they stay with me two days a week. I need to have a place that they could be proud of. He works as a valet at Motor City Casino and so he says I was in the suburbs he says but I wanted to be in the city, I wanted to be by where I worked. He says and when I found these affordable houses, these affordable apartments at the Treymore that I can have this beautiful place in Midtown Detroit and bring my daughters had to be close to work and be proud. He says I came back home. And so we may have lost 244,000 but we got three back. Antonio, are you an Amira and Alyssa here? Welcome back. This is the city that we're working to build.

Six hundred new affordable units already, and now we're going on to raise \$250 million to save ten thousand more units that are coming up in the coming years like Stella Buchanan's. They've built 2,000 more and we've already identified \$50 million in city funds. We're raising \$50 million in philanthropic funds, and we're going for low-interest loans so that people like major foundations can make a low-interest loan. The builder can borrow low-interest and pass those savings along in subsidized rates. We believe we could raise this. This is what a city needs to do if you're going to build a city that's meant for everybody.

The other thing is we're going to need the affordable housing for all the jobs moving back, right? So Detroit's unemployment rate was 28% in 2009, and CNN did a study that said that your solution if you lived in Detroit and you wanted a job, that was a solution, move. Twenty nine percent unemployment, you don't have a chance. I was working at DMC at the time. We were one of the few people hiring. I would do the orientation of the new employees every month and the stories were amazing. I worked at a factory auto plant for 20 years, got laid off, took my buyout and went to nursing school, became a nurse. I worked at a bank as a bank teller and the branch closed and when it did I went and learned to run an MRI machine. What you had to do in 2009 to get a job in this city was heroic, and so that was what CNN had to say. But three years out of bankruptcy things are a little different because those who stayed have seen some remarkable things.

Fifth Third Bank moving their headquarters in with 300 jobs. Ally Bank with 1,400 jobs. Microsoft opening in the city of Detroit. The two largest seat makers in America.

Leer opened their new design center in Capitol Park and Adiant moving its headquarters from Milwaukee right across from Cobo Hall to be part of the city. So the major businesses started to come downtown, but now we see them starting to spread out a little bit. So the old the band and Redford high school, you remember this, is now a Meijer employing 275 people. And Southwestern High School, terribly abandoned, left, Western is the only DPS school in this part of Detroit, it's now a new 500-employee auto parts plant making parts for Ford and GM cars, called Sakhti. This abandoned site on Rosa Parks is now a health care warehouse employing 140 people. These are the jobs that are moving in. This abandoned I-94 industrial park, something that Scott Benson played a key role in, is, now a 500,000 square foot warehouse with 150 jobs, and right next door to an abandoned warehouse a steel company, ArcelorMittal, just opened a new plant last week with another 125 workers in southwest Detroit not far from here. 200,000 square foot Logistics at this. All happened in the last three years. Ford moving 220 employees in Corktown.

Did you ever think you'd see the day all these folks are moving in? Flex-N-Gate, it's going to be the largest parts plant in the city in 20 years over on the I-94 corridor in the highest unemployment area in the city. In the last four years we've had more than 25 companies of a hundred to five hundred jobs move into the city. We have not seen this type of movement in the city in decades. It's been going the other way, right? So now here's a question, a question that everybody up here asks every day. We got all these companies coming back. Who's going to get the jobs? You know my answer is going to be, how about the people who stayed, right? Can we as a city give the priority to the people who stayed, and so here's what we have done and we're centering all of the activity for those of you who stayed in to something we call Detroit at Work. All of the job training programs are centered in one place. We've taken the CEOs of every major company that is hiring in Detroit. They're all on the board saying these are the jobs we need filled now, and if you'll train for them we will hire Detroiters. And I say, well, OK, what kind of jobs are you talking about?

Well, I can tell you this, today 4,000 jobs open today that Detroit at Work can place you in, can train you for in order to fill them. And so here's one, health care. DMC, St. John's, Henry Ford, couldn't train their nurse assistants. So I said, OK, I'll tell you

what. If you'll commit to hiring 240 Detroiters, we'll train them. We went to Oakland University nursing school and they operate at Focus: HOPE over on Davison over on Oakman near Davison, and we have now had 110 people graduate the four to nine week class; 91% of the first two classes are already in place and I go to the graduations and it is so powerful to hear these individuals saying I was unemployed, I learned so much in this training. And once you get in as a nurse assistant you can do so many things in health care. You can go into research, you could become an RN, you can go in to imaging. There's all kinds of opportunities, and I say to them when they graduate in this world today you earn what you learn, and so you start out in a \$13 or \$14 an hour job with benefits, that's all right, but go pick up some other skills and you'll be in to one level after another. That's what we're trying to build here.

Transportation training. We're running training programs for drivers. We've hired 55 through this program at DDOT like Shawn Martin and you saw in the earlier. Another hundred snow plow and road patching drivers have been hired to the program, 91 over-the-road truckers. We can't fill these positions. They are available now. 275 people we have trained and placed at Meijer and another Meijer is coming down in Lafayette Park. We're going to have more of these opportunities.

In technology, 29 trainees been placed at Quicken for people who have skills on the tech side and they can't hire enough. Manufacturing, DMS over at 96 and Southfield, already 236 employees, so whatever kind of job is in your heart, there's a good chance that we have the training program for you, and now we're training for the 400 jobs at Flex-N-Gate.

So the other thing we're doing is we are doing everything we are legally allowed to do to give preference to Detroiters. And so, I'm a lawyer. We stay within the bounds of law. But within those bounds I'm going to make sure every chance I can a Detroiters gets the job. So if you go to work at Flex-N-Gate, the City of Detroit is going pay for your training. If you're from someplace else, they can get somebody else to pay for it, but we're paying for the Detroiters, alright?

So here's what we've done. You'll be glad to know that in 2018, Ron Brundige and DPW are going to resurface 88 miles of road, do \$90 million in road improvement. Anybody running across any potholes? Alright. Ron's doing a great job at the

paving, but here's the other piece: Every one of those \$90 million dollar contracts are going to be required that 51% of the work performed be done by Detroiters. We're going to use our purchasing power to get jobs for our residents. Gary Brown at the water department is going to do \$400 million in water and sewer improvements. You're seeing fewer and fewer water main breaks where they've been neglected for a long time. And we got a lot of work to do. And when they do those \$400 million dollars in improvements, 51 percent of all the work will be done by Detroiters.

We're going to do \$2 billion in work on the Gordie Howe Bridge, being driven by the Canadians. Now, I couldn't get the Canadians to agree to hire 51% Detroiters. I tried. Rich Baird was in the room. But we got a compromise. They wrote us a \$10 million check to train Detroiters ourselves so they'd be ready for the jobs at the bridge. I thought that was a pretty fair compromise. Dan Gilbert just broke ground on the Hudson's site, a billion dollar construction project for three years, and he has to have 51% of the work be done by Detroiters.

Now, we know today we don't have enough construction workers in this town to make the 51%. They're not going to make it. So why did we do this? Let me show you we put the same requirement in for the Little Caesars arena. We knew there was no way they could make it. But you know what they did? Detroiters worked 700,000 construction hours on that arena. Pretty remarkable. It was only 25 percent of the work. Three hundred and fifty Detroiters got jobs and apprentices, which means they're on their way for a career for the rest of their lives. They got launched, 350 people, on their career because of Little Caesars Arena. And after all of that, the Little Caesars still had to pay \$5 million in fees because they didn't hire enough. It wasn't for lack of effort. And so in the past the city was in the fee collection business. Brenda Jones says why are we in the fee collecting business? Let's take this money that we're getting, let's put it back into the training.

And so we are taking every dollar that these folks are paying and we are putting into training. We're putting it in at Randolph. Remember I showed you Randolph earlier, where the 300 kids are there, well here's what we're doing. ... We've used the \$5 million dollars to hire trainers and 300 adults are coming into that class to learn skilled trades in the same building. These are the ways that we can use our leverage. We got great partners the plumbers Union, and the carpenter millwrights are actively recruiting apprentices in the city of Detroit, and we know that historically men and women of color have not always been welcomed in all

the trades. And so we are using the purchasing power involved in all these construction projects to say things need to change. And you've seen some visionary leadership with the plumbers and the carpenters, visionary leadership says we know, and they're out recruiting and we're going to keep pushing until every single trade has completely opened their doors to residents of our city.

Now, I have been amazed at how many times we get somebody goes through training. They can't get to their job because they got \$2,000 in driver responsibility fees. This was an ill-conceived idea to balance the budget 10 years ago, and you had 76,000 thousand Detroiters 350,000 people in Michigan couldn't drive because of these fees. They paid their fines on their tickets. What are you doing? You're causing people to be unemployed. This is crazy, right? I mean, how does this help the economy? And so we pushed a statewide coalition for change. I was a big part of an effort to say we need to get off of this, and the Michigan Legislature has just acted to rescind the driver responsibility fees in this state Oct. 1.

And so if you have fees driver responsibility fees, go to the Secretary of State's office. If you're already in a payment plan you can get it cancelled right now. If you're not in the payment plan you can get it cancelled October 1, but you go to the Secretary of State's office and they'll help you. I want to thank some of the people been advocating for a very long time for this. Sen. Morris Hood. State Sen. Ken Horn. Rep Leslie Love. And I want to thank the people who helped push it over the finish line. One of them's here today, Speaker Tom Leonard, along with Arlan Meekhof, Gov. Rick Snyder. Mr. Speaker, thank you very much for your role. See what we're doing? We're chipping away at these barriers one after another so that we can get Detroit residents to work.

What if you're a returning citizen? And I hear this all the time: I can't get hired. It is remarkable what's happening now, because the labor market is so tight. We are seeing a significant change in attitudes. We have 25 companies that are right now saying to Detroit at Work, we'll will hire returning citizens today, alright? Sakhti, the company over at the old

Southwestern High School site, the plant has hired 200 returning citizens themselves. And what the CEO tells me at Sakhti is, when you hire a returning citizen, they know that if they lose the job, it's going to be hard to get another one. They tend to be your most reliable workers, on time, show up even when they're not feeling well. We're building our company on them. We've got a lot of talent here. And so if you go to Detroit at Work as a returning citizen we will steer you to the training, and if you've got one felony more than five years ago we'll help you

with expungement services so you can get a clean record. Because here's the thing: I went with the governor to Japan to try to convince Foxconn, the people who make the iPhones, to put their plant in Detroit or somewhere in Michigan. You know what the big question was? Where you going to get the workers? We were pitching Amazon to come here and there's a lot of factors going on, and you know what the number one question was? Where you going get the workers? This is now a competitive issue. At the city of Detroit we need everybody. We need the talented people have been out of the workforce to come back in so we can go after and land these big companies. You won't believe the people who are talking about what coming here and everybody says the same thing: Can you deliver the workers? And so Detroit at Work is going to be there, ready, but for you, you've got to do the hard part. You got to make the phone call, you got to get started, and it's scary learning a new skill at a new job. But if you have done it in 2009 you almost surely would have been unemployed. If you do it today in the city of Detroit, because you stayed, there's a very good chance you'll be launched a new career.

So, what if you want to start your own company? Well if you want to start a company you ought to be in the city of Detroit. There's no place that supports new business startups. And we saw these companies coming in and they had a group of folks coming in probably 50 or 60 African-American and Latino entrepreneurs and they said we like the fact that Ally Bank coming back and we like the fact Microsoft's coming back but what about us? We stayed here, and a lot of times we don't have family wealth to go to the start of our business. We don't have the banking relationships. Can you do something to create an atmosphere that Detroiters and entrepreneurs of color who have good business plans, who are hard workers, who are talented can get something, can get an opportunity? And so we went to La June Tabron at the Kellogg Foundation and Jamie Dimon, the president of largest bank in America, JPMorgan Chase, and we said as government we can't create an entrepreneurs of color fund, we aren't allowed to make those kinds of distinctions. But as private companies you could fund something, and so they did. They put in a fund where they made loans of \$50,000 to \$200,000 to entrepreneurs of color who couldn't get traditional loans; 45 business startups in the last two years, \$5 million in loans and not one single default. We've got talented entrepreneurs. They just need a chance. And so I decided Detroit was going be the place where you could come to be an entrepreneur. So those are the 45 businesses. Look at how they're spread out around the city. They've already produced 600 jobs.

And I'm going to tell you a story about Melissa Butler. Who here has heard of Melissa Butler? OK, so Melissa Butler grew up in Detroit, went to Cass Tech, got out of town and went to Wall Street, making a lot of money on Wall Street. And she realized that the kinds of variation in colors and materials of lipstick wasn't out there. So, I have no idea why a Wall Street banker does this, but she starts making lipstick in her kitchen, and then she starts selling it on the internet, and it starts to catch on. She ends up but she's in New York and she didn't have anybody there to help her. She goes on Shark Tank. Picture Shark Tank. People on Shark Tank said you're nuts, nobody wants purple lipstick. They blow her off. She said I don't want to be in New York, but she says I hear there's an entrepreneurial climate back in Detroit.

She moves back home, comes back to the city and says, I think I can do this, gets a lot of support, business takes off on the internet, Target calls, and Target says we're going put you in 42 stores, we want to order 40,000 tubes of lipstick and lip gloss. Now, Melissa says I can't make 40,000 tubes in my kitchen, right? This is where entrepreneurs fail. She needed a loan. She needed the money to go out and buy make these 40,000 tubes, and she turned to the Entrepreneurs of Color Fund, a place where a bank never would have given a loan, they got her a \$75,000 loan. These sold out her lipstick at all kinds of the Targets. Now they're ordering more. She's got a million dollars a year in sales. And she says my next thing is it's going so fast I'm going have to open up a lipstick manufacturing company here in the City of Detroit, hiring Detroiters.

But here's the thing: If Melissa Butler had stayed in New York she would have never had that loan. She came to Detroit, a place where we support our entrepreneurial spirit, and because of that the whole world's going hear about her. Please give a warm welcome to Melissa Butler. Welcome home.

And we're doing this on a smaller scale a lot of different ways. But so my friend Jamie Dimon, whose JPMorgan Chase has been phenomenal, invested \$150 million dollars in the city. I was in New York with him. He was given a speech bragging about the Entrepreneurs of Color Fund. He said there were zero defaults, a great record. I said well Jamie it's a \$6 million fund. If it's zero defaults, there ought to be more money. He got together with their partners and they tripled the fund amount to \$18 million, so there's going be three times as many Melissa Butlers. And every quarter we do the same thing with Motor City Match, grants of \$50,000. We pick 10 winners every quarter all over the city. Now we've already got \$5 million in grants, 33 businesses have been opened, overwhelmingly Detroiters and

men and women of color, 32 more under construction, 40 more, all off of just Motor City Match. So you see how we're layering these different business strategies, but you know what? You can go anyplace else, there ain't any Motor City Match. The Entrepreneurs of Color Fund? They just started it in San Francisco and New York after our success, so you go to San Francisco ... Who would have thought San Francisco and New York are coming to us to figure how to do entrepreneurial financing? But if you want to be in Michigan to be an entrepreneur, you want to be in the city of Detroit.

I want to do a special thank you to three city departments with extraordinary accomplishments. It's a little bit off the vision discussion but I just felt it was important. And the first I want to say something about, the Detroit Fire Department. We have seen arsons in this city drop 30% in the last four years. The demolitions have a lot to do with it, the arson investigators have a lot to do with it, and so you got our firefighters, they got 37 percent fewer fires to go to. What do we do? In other places you'd be talking about cutting back and laying off, but our firefighters stepped forward and said we want to be trained as medical first responders, and now every one of our firefighters is being trained, and that's Mike Nevin, the union president. You want to talk about a major shift in the union in the city. They were first on the scene 16,000 times last year so now when you call 9-1-1 if one of our 25 ambulances closest to you they get there first, if one of our 40 fire houses is closer to you our fire trucks get there first and stabilize you, and as a result of this partnership we now have the EMS response times down to the national average. And so thank you to the men and women that's Detroit Fire Department

DDOT had 400,000 rides a week in 2017. They added 1,500 trips and these are pretty remarkable numbers. They're adding another 300 trips in 2018. We got 30 new buses coming in 2018. Warren Evans is here and he's done a great job as far as I'm concerned in trying to put together a regional plan that I hope this region has a chance to vote on, but other counties may choose to do what they want. But I can tell you this, we've got a whole lot of jobs coming into the city and I'm going to make darn sure we're running first-class bus system so within our city we can move people there until the climate is right that we finally see that we're a region. We're competing against Pittsburgh and Indianapolis and Chicago for these jobs. We need to start to think and function like a region, so in the meantime we're going to build up DDOT and to the bus drivers and mechanics we've done such a great job with these record numbers, thank you for a very successful year.

2017 was the third straight balanced budget, and when council acts we are going to be out of active state oversight this spring about 30 years ahead of schedule. And I've got to tell you, in dealing with City Council for the last three years, we have been completely unified. This hasn't been something where they were trying to spend money and I was fighting them. These council members have been vigilant about saying we're going to have a balanced budget each and every year and I'm looking forward to the day ... New York City stayed in state oversight for 30 years after they came out. We're out in three years, which is something that I'm very proud of.

And I don't know how many times it's going to take, but I am going to stay with this until we get the car insurance cut. We got really close this time, and I want to say a special thank you because the pressure that came down from extremely well-funded trial lawyers and hospitals was overwhelming. But I want to say to Sen. Ian Conyers, Rep. Leslie Love, Rep. Betty Cook Scott, Rep. Sylvia Santana, Rep. Wendell Byrd, thank you for standing strong. And I am hearing now that there are rapidly increasing car insurance rates in the inner ring of suburbs and almost all of the legislators in that ring right around us voted against this. They thought it was a Detroit problem. I got a feeling their constituents are going to let them know, but we're going to come back at it this year, we're going to come back at it next year. We've had great support from people like Lana Theis, Tom Leonard and Rep. Chatfield, a whole group in Lansing. We were within a few votes this time. We're going to stay with it until we get there.

And you remember that I ran on something where I said every neighborhood has a future, and so I'm going to finish by closing with the neighborhoods. This is the paper from the London Daily Mail, London, England, wants to write about Detroit's 40,000 abandoned houses. Well, with our partner with this governor and the state of Michigan, we've demolished nearly 14,000. We were helped enormously when Sen. Debbie Stabenow pushed through another \$250 million funding in Washington which has been critical to this, and we all were enormously grateful for that, but it's 14,000 down. There was a time I thought we could take this 40,000, we do 8,000 a year, be done in five years. I feel really bad about all the people who got in trouble because I pushed them to try to do eight thousand a year but the truth is with our contractor capacity we can't do it, and so here's the plan that we're going to do. We're going now four times the rate of any other city in America and those blue dots are the 14,000 we've taken down. When we take them down, we sell the vacant lot to the next-door neighbors. They stayed, right? They live next to it and so for a hundred bucks, these are my favorite

days of the year, the side lot fairs, where the neighbors leave with their deeds, 9,000 neighbors who stayed bought a side lot and now they got room for a swing set or a garden or a yard or the like because this is the people that we want to benefit. But since I know it's going to take us some time to get through them, Brad Dick and his crew have started up board up brigades and we've now boarded up 5,000 houses in the last six months

And the thing I'm most proud of, we sold more than 3,000 houses on BuildingDetroit.org. This is the auctions that if you haven't checked it out it's worth doing. Those are the houses, 3,000 vacant houses that families that moved into now. Can you imagine what that meant to 3,000 blocks, how much it stabilized the community? Because our goal is to save every house that we can. And so here's a house that had been vacant for five years and there's how it looks today.

So this is what we've done 3,000 times and how would you like to be next door when it gets fixed up? But we also have to prevent new vacancies, and that means stopping the foreclosures. We have to stop the folks from leaving and so in 2014 the law of the state said that if the treasurer wanted to give you a break on your back taxes he had charge you 18 percent interest. It was crazy. Nobody wanted it. I went up to Lansing and led an effort with a Rep by the name of Phil Cavanaugh from Detroit at the time and we passed a law that said the treasurer can set up a four to five year payment plan at 6 percent and our treasurer Eric Sabri is like a miracle worker at pushing it. He's everywhere. He doesn't want to take your house, alright? And so then we took people like Ted Phillips at the United Community Housing Coalition and 15 groups. You know what they did? These are your neighbors. They went out and knocked on the doors of every single person who's up for foreclosure and they said you have help, it's here, come down and see the treasurer. And when they did that, here's what happened. In 2015 you had 6,400 who owned their homes that got foreclosed on. It was heartbreaking. And then last 2016, it was cut in half. But last year with the full effect of this program, we're down to 786. And we are out now going house-to-house, person-to-person. You do not have to lose the house. We want you to stay and so if you have gotten a notice or you know somebody who has, they should act by April 1st. If you want to pay back taxes I know Eric will be glad to take them online, but if you want a payment plan the treasurer will work with you and put you in a program you can afford. And if you're a renter and they stuck that foreclosure notice on your door you're paying your rent but that landlord ain't paying their taxes, we got a program for you that when the landlord gets foreclosed on, you can buy the house and move in, so call that number. And so for the 22,000 that we have left, here's

the plan: In the next two years we're going to demolish about 8,000 with the money that Sen. Stabenow got us. We're going to sell another 2,000 through the land bank. Owners we think will renovate another thousand. We're going to board up 11,000. And so by the end of 2019 every single abandoned house in this city is going to be either demolished, renovated or boarded. That's my commitment.

And then the last piece is to build these neighborhoods so it's good to fill in the houses and so two years ago I told you when they started a \$30 million Strategic Neighborhood Fund for Livernois-McNichols, West Village and southwest. Well, we got \$42 million and we did all of that. And I want to thank our partners at JP Morgan and Kresge and the group who did it because it took an area like West Village and continued to build on it and just opened the Coe right next door to Agnes Street. Over at 7 and Livernois, B. Siegel's been vacant as long as I can remember, now being rebuilt for shopping and apartments out of the Strategic Neighborhood Fund. And right here at Western High School, alright, around the corner the folks in

Western know this on Porter called the Murray, these row houses have been abandoned for probably 20 years. They will be fully renovated by the Strategic Neighborhood Fund in the next year and be occupied. And then Western folks should look out your front door across Clark Park and we're going to have a gathering place with new shopping and residential at the corner of Clark and Vernor. That's what the first wave did. And we said if we could do it the first wave, you know what? The investors are making money, alright, let's do some more. So now we're going for \$125 million and we're going to add seven more neighborhoods so all of these areas across the city we're going to start to extend these efforts so what you'll see is a neighborhood that looks like that. It's going to get renovated to that, and this stretch will look like that, and that stretch will look like that. This is what we're going to do, so think about what you got. Most of us who've been in the city remember the days when you would walk up to the store and you could get a cup of coffee. You get a gallon of milk. You could get those because the storefronts were there, you walk to them. If we're going to bring the neighborhoods back we've got to bring the commercial storefronts back, and so we're going to put \$125 million together to do that. And we're going to do all of these projects. And these are the planning meetings that are going on right now, and we're going to do it with the Detroiters who stayed. Those who stayed are going to have the say in what happens in their neighborhood.

And so to the people of this city, I'm just deeply honored the confidence you gave in me this last election. And I told you the first four years we're there to try to fix

the services, get the grass cut in the park get the streetlights on. I'm not talking about that stuff anymore. Now we're talking about building one Detroit for all of us. And we're going do it together.

God bless you and good evening.