



CITY OF INGLEWOOD

Office of the Mayor



Inglewood Mayor James T. Butts, Jr.
State of the City Address
April 25, 2013

Good Afternoon. Thank you for attending my 3rd State of the City Address.

First of all, let me begin by thanking the Chamber President and the entire Inglewood/Airport Area Chamber of Commerce for once again hosting this event. Our Chamber is superb, and its work has added synergy to the progress we've experienced recently in Inglewood.

Additionally, I also want to recognize some of the people in attendance that make the tough decisions to move Inglewood forward. My colleagues on the City Council: District 3 Council Member Eloy Morales, Jr., and District 4 Council Member Ralph Franklin. Please join me in giving them a round of applause. Additionally, I want to also recognize our City Treasurer Wanda Brown. Our City Manager, Artie Fields, Assistant City Manager Michael Falkow, Assistant City Manager and Chief Financial Officer David Esparza, our new Chief of Police, Mark Fronterotta, and our new Director of Public Works, Louis Atwell are here as well.

We also have long-term friends here from the Madison Square Garden Company, the General Manager of the Forum, Nick Spamanato. We used to call him a Special Guest, but after two years, he's a friend.

Some new members of the City's contracted service family are here in numbers. Ordinarily, your trash company is not something you think about unless there's a problem. You put trash out in the evening before or the morning of pickup, and it disappears—end of story. But every year, I attend the Inglewood Swap Meet held at Hollywood Park. About 200 or more residents put up booths to sell old items. Now let me tell you, before I was Mayor, I would never go to a swap meet—just not interested. But when you're an elected official, you know what a gathering of 200 voters is? It's a chance for a free poll of how the City is doing. You're out there face to face to hear the good and the bad of how government is delivering for the residents.

One theme in the comments from the residents was constant and unsolicited. People feel safer and more confident about the future of the City. Also, they feel change over in waste haulers was overwhelming positive for the cleanliness of the City. The bulk item pickup service Republic provides is magnificent. People love it. Republic comes within 48 hours and on average within 24 hours to pick up abandoned couches and other items dumped in alleys and on curbs. In less than 9 months, they have changed the look of our streets and alleys. They ran a Shred Day at the swap meet, did mass shredding for the residents, and sponsored our Earth Day at City Hall two weeks ago.

From Republic, we have Ron Krall, Area President, Jay Fowler, General Manager, Juan Rodriguez & Andre Griggs, Operations Managers, Gilbert Alvarado, Route Supervisor for Inglewood, Dawn Harris and Sam Peña, Community Liaisons, and Mari Morales, Inglewood Office Manager. Welcome to Inglewood. Please give them a hand.

Today, as I view the current state of our City, I remain very optimistic about Inglewood and its future. Sure we have seen some tough times recently, as have cities and states throughout the nation. And, as a City we will have to respond to additional budgetary challenges in this next budget cycle. But I can tell you this: Inglewood is a resilient community. It's resilient because it's made up of residents and businesspeople like you who are committed to the City and are poised and ready to participate in its economic resurgence.

Our municipal government is populated by a number of hardworking, dedicated employees who want more than to just have a job and come to work, they want to be a part of something bigger than themselves. Like all of us, they are proud of what they do and where they work. It's my responsibility, working with the Council and through the City Manager, to build an effective organization that will provide the environment for business and economic development to thrive and a sense of order, stability, and safety that attracts and retains middle and upper middle class families.

When I first campaigned for this office, I told residents that I intended to focus on several key areas that included (1) assessing and improving the condition of our City's infrastructure – it's roadways, water, waste delivery systems and the like; (2) public safety and crime; (3) assessing the effectiveness of our Residential Sound Insulation Program; (4) economic development, and (5) stabilizing our financial situation. I said that I would attempt to attract major retail, entertainment, and other commercial anchors to Inglewood in order to generate jobs and sales tax revenues. This would, in turn, bolster the City's General Fund. The General Fund is important because it is the pot of money from which we pay for core City services like police, fire, recreation, code enforcement, library, tree trimming, and services for senior citizens.

Last year, I discussed a series of management failures, operational and bureaucratic incompetency's that exacerbated the impact of the recession and the housing market crash on the City's financial picture. Starting with the return temporarily of former City Manager Mark Weinberg, who was succeeded by City Manager Artie Fields, we have steadily assembled a group of high performing, highly competent executive staff to complement the high performing directors and managers that remain from past administrations. Mr. Fields came into a situation rife with land mines and has endured needless criticism by some members of the body and performed in an exemplary manner. Could we take a moment to acknowledge his good work? Thank you, Artie.

Mr. Field's team is anchored by Assistant City Manager Michael Falkow, whom we affectionately refer to as Jamaican Mike, because over the years and to this day, he does so many jobs and functions for the City. Mike is the equivalent of Lamar Odom, he's a 7 footer, who can play center, and both forward positions and can dribble the ball up court, behind his back and shoot with either hand. Our other Assistant City Manager David Esparza also serves

as our Chief Financial Officer. He has been a high-level executive in Los Angeles and San Francisco, and we were fortunate to lure him here from another prospective employer because he wanted to work in place where he could make a difference. He is a proven all star in his administrative prime. This is Inglewood's equivalent of Miami trading for Shaquille O'Neal and winning a championship the next year.

Mr. Louis Atwell is our new Public Works Director. He took over a department that was being managed temporarily by Harry Frisbee after the sudden departure of the prior director. I want to publicly thank Harry for the outstanding job he did as interim director. We are so fortunate that he was here to steady the ship. He is a can-do and customer service-oriented professional. Mr. Atwell was a Deputy Public Works Director in the City of Downey, and our selection of him as our Director was the equivalent of making a second round draft pick that turns out to be an all-star. Working with Harry, they have revolutionized the service and production paradigm in Public Works. I will detail some of his accomplishments later.

Speaking of all-stars, we had another second round pick right here in our own backyard, and that is our new Chief of Police Mark Fronterotta, a 30-year veteran of the Inglewood Police Department. Under his leadership, violent crime is falling demonstrably. Remember this Mark and Louis; Willis Reed, Dennis Johnson, Manu Ginobili, Danny Ainge, Gilbert Arenas, and Dennis Rodman all went in the second round as well.

This is my 3rd address, but my second full year in office.

This has been a year of progress.

Two years ago after one month on the job as Mayor, I classified the state of the City as *OPTIMISTIC*. Last year, at the state of the City, I classified it as *FOCUSED*, focused on moving forward towards rebuilding and revitalizing. This year, I classify the state of the City as *PROMISES KEPT*.

We have actually begun rebuilding our infrastructure; we raised water and sewer rates and began a capital improvement program making upgrades to all the facets of our water transport system. We are proposing the installation of a new water well to allow us to pump more of the water available to us beneath Inglewood. This will be a \$2.5 million dollar project. We will be able to lessen our costs by pumping more of our water as opposed to purchasing over 50% of our water from other systems at higher rates. This summer we will begin the replacement of 4.5 miles of pipes on 1st, 3rd, 5th, 7th, 8th Avenues; 78th, 79th, 101st, 102nd & 104th Streets, Grace and Eucalyptus Avenues at an estimated cost of \$2 million dollars.

This summer we will begin street improvements on Van Ness from Century to Imperial, La Brea Avenue from Hillcrest to 104th Street, and we have begun a sidewalk reconstruction project of 21,000 feet of damaged sidewalks, 13,600 feet of driveway approaches, and 1,200 linear feet of curbs and gutters.

In 2012, Inglewood experienced an overall 1% decrease in crimes reported compared to 2010. We have had two homicides year to date, which extrapolates to six for the year at this pace. If this holds, it would be the lowest homicide total in Inglewood on record. Violent crime remains down compared to when I took office, with homicides down over 30%, Aggravated Assaults down 13%, the crime of Rape down 18%, Auto Thefts down 9%. Our overall crime rate remains the lowest it's been since the 1970's. Again, I want to give recognition to Chief Mark Fronterotta, Captains Martin Sissac, Marie DiBernardo, Steve Overly, and the men and women of the Inglewood Police Department. We're also implementing a 4th civil gang injunction that will further suppress and eliminate gang activity in the City.

As you can see, we're proactively taking measures to keep the City safe, improve the quality of life in the community, and get our financial house in order by reducing expenses charged to the General Fund. Many residents will benefit from improvements gained under the City's Residential Sound Insulation Program. Due to past management errors, the City had lost eligibility for over \$36 million dollars in sound mitigation funds. Last year I discussed the self-inspection and corrective actions taken by the current administration to fix the problems. We instituted an Administrative and Management Audit of the entire program.

Findings:

- More houses were placed into design than funds were available to complete construction.
- Caused the City to be unable to turn in year-end audit reports of completed homes.
- Resulted in the City being ineligible to receive the annual \$9.2 million in LAWA RSI Grants for the past four (4) years.
- Hired a consultant who ran Burbank's successful RSI Program to come and provide day-to-day assistance to our operations.
- Contacted LAWA and invited their accounting personnel to spend two months in-residence in our RSI office to audit our records.
- I met with the President of the Board of Airport Commissioners to open dialog with top management in LAWA.
- I met with the Executive Director of LAWA, Gina Marie Lindsey, to discuss the framework of an agreement that would allow the City to resume eligibility for LAWA grants.
- Negotiated with Deputy Executive Director, Michael Feldman, of LAWA on the structure of the agreement.

- The City sought and obtained a \$15 million Noise Abatement Grant from the FAA in December of 2012.
- Prepared a Council Initiative for March 19, 2013, Council Meeting to ratify the agreement between the Executive Director of LAWA and Mayor Butts.
- Retained a construction management firm to oversee and conduct the design and construction processes for insulating our homes.
- Hired an auditing firm to complete the audits of past years of the program that were started by in-house staff and LAWA accountants.

On March 16th, after a over a year of negotiations between myself and LAWA, I and the Executive Director signed an agreement between the City of Inglewood and LAWA that will allow us to complete insulation of 2,000 homes in the next 24 months, the equivalent of 50 million dollars.

Councilmen Franklin and Morales and I just returned from a lobbying trip to Washington, DC. We met with the Department of Transportation, FAA, Congresswoman Waters, the Director of Urban Initiatives, Office of Community Oriented Policing, and others. We told the story of our progress in economic development in Inglewood and how we have fixed our Residential Sound Insulation program. The FAA, based upon our accomplishments promised the City an additional \$6 million for RSI with an option for \$6 million more when that grant is exhausted.

We sought support for applications we will make shortly for transportation grants and police officer hiring grants. The officials were very impressed with the progress of Inglewood. Our connectivity in Washington has brought over \$33 million in FAA and Policing grants to Inglewood since I have taken office in 2011.

We continue to provide essential core services to the community, and there is Citywide progress on a number of fronts. The shuttle Endeavour was transported through Inglewood to its new home at the California Science Center in Exposition Park. The 15,000 people that gathered at the Forum Lot and along Manchester Blvd represented the largest outdoor celebration in the history of Inglewood. We received international recognition, as we became a part of national history.

In the area of *key economic indicators*, year to date, our Hotel Room Tax (actually known as the Transient Occupancy Tax) is up.

Sales Tax receipts are up 6% over the last 5 quarters, and 19% or \$233,000 in the last quarter.

Building Permit fees are up indicating increased building activity.

Utility Users Taxes are up about 5% or \$169,000 in the last quarter.

I am thrilled to report that property values are up 12% on average in Inglewood indicating greater interest in Inglewood. This increase in assessed values along with increased sales of real estate in Inglewood has resulted in a 28% increase in Property Tax receipts up \$1.4 million.

Average real estate inventory times (that is the average amount of time a property is on the market from listing to an accepted offer) have dropped from 6 months to 30 days or less. That is a very significant statistic. I want to thank Ted and Glenda Brass of Brass and Brass Realty for that information. Also on the real estate front, investors are purchasing vacant, run down, blighted, dilapidated, foreclosed property, doing first class beautiful renovations, and leasing them with quick takers. This says two things: one, Inglewood is again a desired place to live, and second, investors want to hold onto these properties for the long term, as opposed to rehabbing and flipping them because they believe property values will continue to increase.

MSG has begun the renovation of the Forum! MSG is in the midst of the essential and extensive pre-construction phase of the project and are pleased to have made significant progress and have continued to comply with their contractual commitment to pursue local hiring goals:

- Madison Square Garden is currently finalizing the design plan.
- Madison Square Garden has hired the well-known and respected construction firm, Clark Construction, as their General Contractor who has a long history in achieving and exceeding local hiring commitments on large projects.
- I have personally met, and was very impressed, with the principals of Clark, along with their outreach coordinator, who is responsible for identifying and helping to qualify, locally based companies and individuals for the Forum project.
- **To date, MSG has hired 45 local Inglewood residents out of 65 total jobs to fulfill construction and non-construction related work – that's a nearly 70% local employment rate.**
- MSG will be awarding more local work in the coming days and weeks as they move into the hard construction phase.
- **Commitment to local hiring and MBE/DBE remains paramount:**
 - In keeping with MSG's commitment to the City, Clark Construction has employed a local outreach Manager, Theodora Oyie.
 - They have identified and had meetings with several local contractors, individuals, and businesses to help identify possible sub-contracting, vendors, and materials supplier opportunities on the job.

- MSG is currently in the soft-construction phase in preparation for the larger more invasive hard-construction work.
- Prior to the current construction work, *half* of the onsite workforce that helped with the seating removal were from Inglewood.
- They are also continuing to do everything reasonable to assist subcontractors meet and exceed both the MBE & local worker hire goals.
 - They've encouraged large prospective subcontractors to pair up with smaller ones to mitigate any potential bonding barriers.
- Demo and abatement work has begun, as well as fencing around the perimeter of the arena, trailer set up and site prep – half of the hired workforce onsite are Inglewood residents.
 - In March, they identified and selected an Inglewood-based Temporary Site Fence Installer - King Fence.
 - Beginning in April, they selected Celerity Contracting Services to hook up the trailer's water, sewer, and corresponding site prep set up.
 - An Inglewood-based Janitorial Service to clean the trailers. Their work commenced on 4/18.
 - Subcontractor - American Integrated Services, certified MBE, hired 40 local workers/Laborers to perform Demolition work. They are a certified MBE whose current workforce exceeds 40% local residents.
 - Demolition will last up to 10 weeks.
 - Design Decor - local paint subcontractor, certified MBE, hired to paint the Mock Up.
 - MSG is ahead of schedule on the project

This project, when completed, will bring long-term economic benefits to Inglewood. Economic analysis and forecasts indicate that the project will result in \$34 million in General Fund Revenues and \$25 million incrementally in property taxes over the next 30 years. The agreement includes performance guarantees. It's estimated that there will be 328 fulltime jobs during the construction phase and 260 fulltime jobs annually after opening. The negotiations

included a quarter-million dollar commitment by MSG to support the afore-described local hiring initiatives.

After the signing of the development agreement between the City and MSG for the Forum renovation project, Hollywood Park Tomorrow management received a commitment of over \$180 million in investment capital that will allow them to begin their infrastructure work in the first quarter of 2014. This is a \$2 billion project that is estimated to provide 3,000 jobs when complete. All that remains is for us to hold on while our future unfolds before our eyes.

There are tough financial decisions to be made in the upcoming budget. Our furloughs are scheduled to expire contractually, and if not reauthorized by employees, represent an over \$3 million increase in expenditures. Increases in employee medical, insurance, and retirement contribution costs will add an additional \$2 million-plus to the shortfall.

So we will continue to have to figure out the present as we walk the bridge to our bright and prosperous future.

Remember this, a miracle is something that is not supposed to happen, but happens anyway. We have had several miracles this past two years that have manifested themselves because of the hard work of our employees and smart decisions by our executive team.

Thank you very much.