

**State of the City Address
Hall D – May 9, 2007**

Thank you.

Council Colleagues

Special guests

Ladies and Gentlemen

Today is the third time I've had the pleasure to stand here.

It's both a daunting and a happy challenge to capture the annual achievements and ambitions of our city.

Three years seems like such a small time to reflect upon.

But it has been enough time to bring about a lot of change in our city. Challenges that were just on the horizon are now upon us. Issues which seemed immovable have shifted.

Three years ago the old Bay building was considered a symbol of stagnation.

Today Enterprise Square is the cornerstone of a downtown that is coming back to life as home to TEC Edmonton, the University of Alberta's downtown campus, and the transitional home for the Alberta Art Gallery.

Three years ago our affordable housing challenge was a pressing social issue.

Today housing prices have doubled and vacancy rates have shrunk. The issue has amplified into one that is affecting ever more people, and that ultimately could limit our ability to attract labour and sustain our economy.

Three years ago we saw just a hint of how big this boom might be.

Today we are not surprised that London's Foreign Direct Investment Magazine says Edmonton has the best economic potential in North America.

As we contemplate Edmonton's potential with \$40 billion or more in potential direct investment in our region's petrochemical industry, we are equally mindful

of the lessons from the more distant past, and the need to make this boom the one that sticks.

We have a critical role in securing this success.

Because today we understand that our city isn't just bricks and mortar. It's an economic engine that is fully charged and has to stay that way.

We understand that basic infrastructure isn't enough. We need to also think about our environmental sustainability, attracting people and preserving a vibrant, urban community.

Doing these things means being ready to compete, not just within our region or with Calgary or Vancouver, but with the best in the world.

Thanks to Council

I was elected on a Capital City agenda. A promise that Edmonton would act, plan, and feel like a capital city again.

It touched a nerve in a city that wanted so much more for itself.

Credit has to be given to all of City Council for taking on this agenda as its own. Every member of Council chose specific initiatives to lead. And the impact has been great because the talents and energy of all 13 members of Council have been directed along a similar path. I am grateful to have been able to work with such a fine team.

Promises Made. Promises Kept

As a team we've responded to the challenges our citizens put to us.

In three years more than *\$1.6 billion* will have been invested in maintaining and building this city.

This includes the expansion of our LRT, which will open at Neil Crawford next year and at Century Park in 2009.

It includes investments in new police stations, neighbourhoods and roadways, buses for a growing transit system, neighbourhood enhancements in areas like Fort Road, and a new recreation centre in the southwest.

More than 1 million potholes have been filled, of course there's still a million more to tackle!

Major neighbourhood rejuvenation projects in Alberta Avenue and Fort Road are moving forward.

Affordable Housing

Your Council has invested in people as well, especially in tackling the pressing needs for housing.

With the Cornerstones Program, we acted quickly to invest city dollars along with those of the provincial and federal governments. The goal is to create more than 2,500 new units.

Our First Time Homebuyers program will launch projects this year. Ultimately, this will result in more than 20 new developments and close to 400 homes.

We've created more affordable rental spaces through rental subsidies. We're allowing more Edmonton homes to open up secondary suites. We're working with major developers to allocate a percentage of new developments as affordable units.

And we're looking at additional strategies to make the most of the dollars we have in a really tight economy.

Social Investments

The people strategies don't stop there.

We're engaging our citizens with disabilities through more accessible communication within City Hall and licensing 35 new accessible taxis this summer.

We've boosted our support to seniors groups and have Canada's first senior friendly City Hall.

We're working to make our community more accessible by providing bus passes to AISH recipients and free passes to our recreation centres, for families and individuals who couldn't afford them otherwise.

We're determined to make our cultural diversity an asset.

Our Aboriginal Accord process is a grassroots effort of our Aboriginal communities to chart their own path for making Edmonton a more inclusive community.

An independent immigration policy will help us attract and retain immigrants.

And through efforts such as the creation of a new community centre managed cooperatively by more than 30 African communities, we're starting to build community capacity among new immigrant communities.

As an entire city, we're confronting issues of community safety, issues that have broken hearts, affected communities and tarnished our great city. As Mayor, I have met too many families who have been destroyed by violence.

There are no absolute guarantees. But we can make a difference through education, how we use our resources, tough enforcement of our by-laws in bars and nightclubs.

Our entertainment districts and city celebrations need to be fun and safe. Our Action on Violence committee, which includes our police and a cross-section of City departments and communities, is making a difference. And that's just the beginning.

We need to act together, ladies and gentlemen. Edmonton deserves nothing less!

Economy/Arts

As a city we have also looked at ways we can make a difference in our long-term economic prospects.

We're nurturing new areas of economic leadership both at home and abroad.

Our investment in TEC Edmonton and the new Wetlab at our Edmonton Research Park will build on partnerships with the University of Alberta and Capital Health, and help innovation find its way to commercialization.

Our City's leading expertise in waste management is opening doors in China, bringing new businesses, cultural and educational potential to our relationship with this powerhouse economy.

Similar efforts are underway in other countries led by our Consular Corps.

We've made important investments in the texture of our community through increased investment in the arts. Investments which brought us recognition as the 2007 Cultural Capital of Canada.

We are investing in the spectacular new Art Gallery of Alberta and we continue to celebrate our arts and cultural communities through Canada's best festival

season, and through showcase events like the 3rd annual Mayor's Evening for the Arts (on June 11 this year).

We've started to work more effectively with our natural partners including the Northeast HUB municipalities, the North and along the Yellowhead corridor, all the way west to Prince Rupert. A new Accord with Prince Rupert and Prince George will put our combined efforts behind promoting the west coast port.

Region

We have made so much progress over the last few years. But there is one thing we have not solved, and that's the region.

The inability of Edmonton and its regional partners to pull together is our biggest challenge. Working in silos is not just silly. It's destructive.

One region of 1 million people should not have 23 answers to every question.

If we fail to solve this we will see a growing stream of economic success follow the flow of Alberta bitumen to Texas.

We'll see more announcements like the ones recently made by Synenco and CNRL saying that planned investments have been stalled.

This is a 50-year-old problem. It has been studied to death. And every single study proves what's abundantly obvious to all of us. We need a formal cooperative structure and an end to divisive infighting.

The Hyndman report said this 10 years ago but it had no teeth. And nothing changed.

The Percy Report said it again and won support from all of the Chambers of Commerce of this Region, every single one. Plus 17 municipalities representing about 90 per cent of the regional population discussed and agreed with this report at a meeting in St. Albert. But 5 municipalities walked out on the discussion, and nothing changed.

Hemson, nationally respected economists, said our region's inefficiencies will erode our competitiveness.

Our regional citizens are telling us loud and clear that we have to find a better way of working together.

Ladies and gentlemen, the case for change has been proven.

This agenda is built on the strength of solid economic research and strong public support. Now is the time for action.

Unfortunately this is where politics can get frustrating. Because sometimes politics works against logic, economics, and even the wishes of the public.

We know that the municipalities won't solve this. They have failed at every turn.

But our Premier has been definitive on this issue. He spoke very clearly to an Edmonton Chamber luncheon and promised his Government would, quote, "deal with these issues, once and for all."

Edmonton would welcome his intervention, because 50 years is long enough!

And now is the time for the Province to take action.

This issue demands that a decision be made, and made to stick.

That is what the citizens of this region expect to see, and soon.

If it does not happen, we can blame politicians who have their own personal agendas that stand apart from reason, and way beyond what is right.

If the Edmonton Region is to move forward, now is the time for the Province to do its job.

Need to impact a change in thinking.

Edmonton is sitting at such an important junction, with our regional partners and in so many other ways.

We are anticipating continued record setting population and industrial growth. Growth that opens the doors to a wealth of opportunity for our city, but only if we do the right things today. That starts with having the right attitude.

In the past, Edmonton has been too complacent. We've second guessed our own worth. We've sat back and watched while others have charged forward.

And then we've stewed when national and international media overlook our city. Edmonton can't blame others for getting noticed when we don't tell our own story.

Edmonton can't resent others for achieving national and international recognition when we haven't tried.

We can't be that city anymore.

It's time for a bold new no limits agenda. An agenda that says there are no limits to what our city can achieve.

It's time to wipe from view anything that limits our potential. Stop accepting excuses from anyone about what we fail to achieve.

It's time to start bragging about ourselves instead of waiting and hoping someone else will do it for us.

Just think about what our city offers:

- Our environmental leadership
- Incredible cultural assets
- Parks, festivals, green spaces
- The finest schools and post-secondary institutions
- A leading health system
- An incredible community spirit

It's a great story but we have to tell it ourselves. It's time for a consistent focused marketing effort to shine the spotlight on Edmonton and everything this city has to offer.

City Cleanliness

When that spotlight is shining on our city we need to be ready to show the world what a proud city we are. That means all of us need to take a little more care about the image we present.

Frankly we need to invest a lot more in how we care for this city and tolerate a lot less from those who don't care.

A couple of years ago I talked about demanding better design across our city, that our tolerance for crap should be zero.

It hit a strong chord with lots of you. And supported by our new design committee, we're making progress on this front.

This year I'd like to make the same statement, but right at the street level.

Taking care of litter, keeping graffiti off walls, having and showing a little pride in the city around us, is something all Edmontonians need to be proud of and part of.

Capital City Clean-up has made a great start but it's a voluntary effort of just a few, when it's a responsibility shared by all.

As Mayor, I want to see us do much better, both in getting our streets cleaned more efficiently and more often, but also in showing that there are consequences to those who create the problems.

So I will be talking to Councillors and our administration about how we can tighten up our by-laws and about what it will take to enforce them right at the street level, as well as in derelict housing in particular.

City Corporation

Moving ahead with a bold new no limits agenda also means we need to be ready for tremendous growth.

Our growth story could outpace anything in North America. Literally 400,000 more people are expected to move here in the next 25 years. Our plans have to be ready for this record growth.

And in getting ready, we should have nothing less than the most driven, creative and ambitious City Corporation anywhere on the continent.

We have an excellent City staff, led by Al Maurer, who believes passionately in this city and in the people he leads.

But our City Corporation will need to attract and retain a lot more talent to get our job done and done well.

Like any organization in the middle of a red-hot labour market, we need to create a work atmosphere that rewards innovation and invests in the next generation of leaders.

Infrastructure upgrades

It's also time to end the days of playing catch up and start building a city that can support a population that will reach 1.5 million people.

Unfortunately, the downside of a hot economy means that inflation is eating away at our chance to get ahead on infrastructure.

In 2004, it cost \$8 million to complete a neighbourhood rehab project. Today it's \$20 million.

It's a problem we can't fix, and standing still is not the solution.

We need a 10-year plan. A plan that allows us to allocate our resources in a deliberate and focused way. A plan that's based on capacity in the construction industry, that lets us use any excess capital to accrue interest and lessen inflationary impacts down the road.

A big part of our capacity will come from the Province, through the Premier's \$1.4 billion commitment.

We appreciate this commitment but we need the funds to be flexible so they can work to our priorities and our plan.

Because there's a lot we need to do to begin to transform the look of this city.

LRT is the biggest part of our investment plan.

Our southward extension to Century Park needs to continue as far south as the Anthony Henday, to help capture the traffic to and from our region.

The next step is to move the LRT north from downtown to MacEwan, the Royal Alexandra Hospital and NAIT.

We also need to look at expanding our Northeast line in anticipation of both significant population and industrial growth.

Ultimately all quarters of our city need to be linked into the LRT, but in the near term, investments in bus-rapid transit must be made to Mill Woods and the west end.

Roadway extensions and improvements are crucial. Completion of our inner ring road, a new bridge linking downtown and Old Strathcona, and completion of arterial roadways in all parts of the city, have to be completed within the next 10 years.

Community infrastructure needs to catch up, finally.

These areas have been neglected for too long and are showing way too much of their age. That's why investing in community projects and completing at least four new recreation centres will be a key part of our 10-year priorities.

Transportation

Investing in our city is critical. But it's also time to set our sights on a much bigger agenda. An agenda that will make this region a major hub for links to the world.

Edmonton's position along key transportation arteries has always been a factor in its success. The truth of this has never been more apparent than it is today.

Our position as a hub for northern development, the potential for value added expansion right in our region, and our natural connections to growing Asian economies through ports in Prince Rupert and Vancouver all mean that we have so many more opportunities to explore.

By working closely with key transportation players and our international airport, and by working with our region to invest in the structures we need, we can build a launching pad that will make this region a major hub connecting western North America to the world.

Environment

While we're setting a bold agenda and looking to Edmonton's future, there's one thing I can guarantee. Our commitment to environmental excellence will continue to be a hallmark of our city.

A famous muppet once said, "It's not easy being green." But frankly, in Edmonton, we make it look easy.

Edmonton's environmental record lets us stand out as Canada's true greenest city, and among the best in the world.

We have always placed a great value on our river. The amount of water we take out of our river, our efficiency in preserving this precious resource, puts us far ahead of other cities in Canada.

We're careful with what we throw away. Investments in multiple forms of recycling and composting means we already divert 60 per cent of our city's waste away from landfill.

By 2011, when a new gasification plant is completed at our Waste Management Centre of Excellence, we'll be able to divert an incredible 90 per cent of our waste away from landfill. This is an incredible target, one that most cities couldn't even contemplate.

And we're almost there.

Our green skills create industrial benefits as well. Instead of taking more water from the river, we provide up to 40 million litres a day of recycled water to the Petro-Canada refinery.

This is the winning example that should be the standard for all of the planned upgraders in our region.

Edmonton already stands out as Alberta's green leader.

But we need to think about how much more we can do, including how we design and build communities.

The northeast section of Edmonton has 20,000 undeveloped acres which provide us with a great opportunity to extend our green city.

The potential is exciting, as we contemplate transforming our northeast into the largest and most progressive green community anywhere in Canada.

A major focus for this area should be industrial, so it can be integrated with the industrial activity that is coming in the northeast.

But it can be so much more. We can build an integrated community with industrial, residential, agricultural and commercial zones.

We can use the best green principles to ensure energy efficient community and housing design. Create community parks and commercial spaces in a way that connects people and minimizes car use.

A team is now coming together to bring this vision forward, and I can hardly wait to see the plans.

The Quarters/Downtown

While we're focused on our dreams to the northeast we can't lose sight of what needs to be done in the downtown core, especially downtown east.

Plans have been developed for an exciting new neighbourhood, which is soon to be launched formally as the Quarters.

The Quarters will be a walkable community with energy efficient design, lots of green space and high density development that will bring even more energy downtown.

A green promenade will extend along 96 street from 104 avenue right down to Louise McKinney Park, linking the area to North America's largest green space and to a growing list of recreational activities in our valley.

The Quarters will also provide us with a unique opportunity to support the efforts of the many social agencies who currently work in this area, to bring them

together and focus their efforts on helping downtown residents who need shelter, transitional and affordable housing.

The success of the Quarters will round out efforts to transform our downtown on all sides.

It's a big part of the incredible resurgence we are seeing as new commercial and residential developments take shape throughout our downtown core.

It will build on another key activity, the potential for a new, downtown arena.

The potential here is enormous. To make our downtown the hub for more of our major entertainment activities, and to boost the quality and quantity of what we can attract to our city.

But we're going to have to do our homework first.

We've struck three committees to look at this project from all sides.

Northlands and the Oilers can give us lots of insights on the functional requirements for an arena in the downtown.

Bob Normand will lead a subcommittee looking at financing alternatives that don't depend on using taxpayers' dollars first. And a separate committee led by former Councillor Pat McKenzie will look at design and community integration.

The recommendations from these three committees will help us set some directions early in 2008.

Value-Added

Investments in new neighbourhoods and city assets add value to our community. They take our best assets and look at ways to build a higher value future.

That's the approach we need to take to building Edmonton's future.

Just think about what's possible.

We have an incredible future in the energy industry, but how can we finally stem the flow of bitumen to create the high-value opportunity here? How do we address cost and environmental issues and make the existing industry even more viable?

We have top-tier educational and research resources here. But how do we successfully transform their ideas and innovations into the high value

opportunities for our next generations?

Our arts community is so talented and so creative. But how do we nurture this talent and grow its impact on our economy? What's it going to take?

First, we need to build on the strengths we already have. Strengths like the talent and drive embedded in organizations like Capital Health, the University of Alberta, NAIT, MacEwan, Concordia, NorQuest, combined with the National Institute for Nanotechnology, the new Mazankowski Heart Institute, and a wealth of private sector entrepreneurs.

Second, we need to do a much better job of attracting capital investment to Edmonton.

Which is why I am thrilled with two Provincial announcements.

The first is the creation of AIMCorp, a new Edmonton based crown corporation that will manage a \$70 billion investment portfolio. It will make Edmonton the centre of a major effort to direct Alberta investment dollars more effectively, through an Alberta-based lens.

The second was the recent announcement of \$130 million in support for the National Institute of Nanotechnology. An investment that will help attract top-tier talent to our city and allow us to firm up our position in the next big technology frontier.

As a city, I have long believed we can play a more direct role in the venture capital arena.

By targeting a small amount of our investment dollars, partnering with the province and attracting private sector support, we can look closely at what's percolating in this community and build on it here.

We are now finalizing plans to examine this potential and report back to our Council on what the next steps could be.

We need to focus on what needs to change structurally.

Assets like TEC Edmonton and the Edmonton Research Park have helped us grow our life sciences industry to a position as Canada's fourth largest.

But what would it take to reach that next level, to be the best?

How can we become the catalyst, the incubator, for leading-edge companies from around the world?

How can we support and attract research-based industries that invest so much up front, but have to wait to see the returns?

What do we need to add to our current structure to make the difference?
We need to answer these questions and think not just about today but about building our long-term success.

Conclusion

Ladies and gentlemen, the past three years have been busy and energizing for me personally.

I feel satisfied with the directions we've set, and I'm already focused on how much more there is to do.

I have to say a personal thank you to my wonderful wife Lynn, who has joined me in every part of this journey.

Lynn is so much more than supportive. She has taken on her own challenges and commitments and has been tireless in her efforts for this city. She is an incredible asset and deserves our special thanks.

Like me, Lynn is ready for what the next three years will bring.

That starts with a very clear picture of what this city and region could be.

A major, global petrochemical hub, poised to rival any other.

A region that works as a confederation of true partners.

A growing city, with thriving communities.

A caring and diverse community, where all people can find inclusion and opportunity.

A smart city that takes full advantage of its ideas and talents and resources to build its future success.

A green city that sets even higher standards for environmental excellence.

A city that is recognized nationally and internationally as an economic powerhouse.

A cultural capital, every year.

A destination for the young and ambitious.

All of these things are possible for a city with “no limits.”

All of these things are within our grasp.

The foundation is in place to make all of this possible.

And this is the future that we can share.

Thank you.