

58th State of Metro Remarks

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PREAMBLE

Vice Mayor Shulman, President Pro Temp Mendes, council members, my fellow Nashvillians ... I'm honored to join you today at the Music City Center for the 58th annual State of Metro.

My text today is a city on the rise must rise to the occasion. We must be a city that works – and works for everyone and every neighborhood. That requires the investments that this budget will make in our people and neighborhoods.

Today, Nashville is on the rise. We have proved our resilience. In this past year, we have faced more challenges and helped more people than at any time in our history.

This time last year, I spoke before an empty Council chamber as we faced an uncertain future.

Even before confronting COVID, Metro faced budget problems built up over years. We nearly lost the ability to determine our own finances. Then, in early March, the sixth most damaging tornado in U.S. history leveled entire neighborhoods. Then COVID, a derecho, a bombing, and a flood.

At this moment, last year, we were planning to convert the Music City Center, on this very site, into a 1,600-bed overflow critical care hospital. Instead, this building became Nashville's largest vaccination site. And today, the MCC is back to hosting conventions and not COVID patients.

Last year's budget was a "crisis" budget. It had to be. This year, we have an "investment" budget.

Today, we are poised to make historic commitments toward education, transportation, affordable housing, community safety and our Metro workforce. At the heart of our budget, we're putting people first, fixing problems, and investing in our neighborhoods. We will bring the opportunity of the city to all the people of the city.

As long as we make these investments, Nashville's future is bright. And we'll re-emerge as a city that works – and works for everyone.

COVID-19 RESPONSE

As I announced this week, all COVID capacity restrictions will lift on Friday, May 14th with mask requirements still in place. This change will take effect six weeks after the vaccine became widely available to all adults.

I'm grateful to our COVID-19 Task Force, especially Dr. Alex Jahangir and Dr. James Hildreth, for their steady leadership. And I want to thank every Metro department – particularly our public health department, which has been tested as never before.

As the science predicted, Nashville's case fatality rate was half that of Tennessee counties without mask requirements.

This morning, we remember the 903 Nashvillians we've lost to COVID. May their memories be a blessing. But, the science predicted — and experience confirmed — that your work — masking, distancing, and getting tested — literally saved hundreds and hundreds and hundreds of lives here in Nashville. That is a great achievement in a year of disaster.

COVID VACCINE

As of this morning, over 40 percent of Nashvillians have been vaccinated.

One month ago, we held a 10,000-person mass vaccination event at Nissan Stadium. On the very same day, Lee Chapel AME hosted one of 110 community vaccination events held in minority and low-income neighborhoods.

Two of these vaccine events are happening today, at Greater St. John Missionary Baptist and the Salahadeen Center.

Using available data, we know the vaccination rate among Black Nashvillians has more than doubled since January. And for our Hispanic community, the rate has increased by two and a half times.

I want to thank Deputy Mayor Brenda Haywood, State Representative Harold Love, and Dr. Joanna Shaw-Kai Kai for all they've done to encourage vaccinations through our "Communities of Color" campaign. No work in our city has been more important.

This vaccine is lifesaving and economy-saving. We need everyone to go get their shot. And please make sure your family, friends, and co-workers do the same.

COVID FINANCIAL RELIEF

The COVID crisis led to a sharp and sudden recession. As a city that thrives on large, in-person events, Nashville was especially hard hit.

In responding, I'm grateful to the diverse group of business and community leaders, including Council Members Gamble, Johnston, and Sepulveda in our COVID-19 Financial Oversight Committee and our Hospitality Advisory Committee.

They helped us respond to the needs of all Nashvillians — from working families to small business owners.

Last year, Metro received and spent \$121 million in federal CARES Act relief. And we spent it on COVID testing ... PPE ... shelter for 1,300 of our homeless neighbors ... rent assistance for 4,800 households ... and feeding more than 238,000 residents. We provided laptops and hotspots for our 80,000 students. And aided our small businesses and live music venues.

ECONOMIC GROWTH

One year ago, Music City fell silent. Today, as we rebound from the pandemic, you can hear music playing all over town.

Once empty, our hotels are seeing up to two-thirds occupancy on the weekends. Last month, more than 491,000 people flew into BNA ... 28 percent higher than the same time last year.

And, next Tuesday, the Council will meet here in-person to make one of the most important votes in the 21st century ... a vote to enable Nashville's prosperity beyond COVID and ensure our city succeeds in the new economy. This vote enables the greatest jobs creation in our city's history.

The Oracle proposal is the largest private investment in Nashville history. It means thousands and thousands of high-paying, in-demand jobs for our children. It gives our kids a path for success in the digital economy. All with no expense in our budget. And no new debt.

With our partners at Oracle, we're demonstrating how the right deals can be made for our city.

This is an opportunity to jumpstart our economic rebound and our post-pandemic decade of prosperity.

These are the quality jobs that the city has been looking for. These jobs will make Nashville a platform for 21st-century success. All with NO expense or borrowing to our budget.

EDUCATION

A city on the rise gives everyone the opportunity to rise with it. That opportunity starts with an excellent education.

Today, I'm proud to announce we are making Metro's largest-ever investment in public education – both in operating and capital dollars.

My proposed budget includes an additional \$81 million for Metro Schools. For the first time in a generation, we are fully funding the School Board's budget request. And we're investing \$50 million to make our teachers the best paid in Tennessee.

Under our proposal, the average Metro teacher will see a salary jump of \$6,924. A new salary structure will eliminate compensation plateaus. And it will allow us to recruit and retain the very best teachers.

Dr. Adrienne Battle and I are working together to develop a "Digital Future Initiative" so that all students can compete in the modern workplace. In the coming weeks, we'll provide more details about this plan.

With the commitment to our teachers and schools made today, and with transformational federal funding on the way, our school system is entering a golden age.

After a trying year for our students, this budget invests \$2.5 million in social-emotional learning on top of federal dollars for SEL.

We owe it to every child to make the investment in their future that unlocks their potential.

Our greater investment in public education is made more necessary by the chronic under-funding by the state for our CITY schools

Over a third of Metro students are low-income and 17 percent are English Language Learners. Research shows these students need more funding, not less. Yet, we receive a third less than the average funding that the state gives to other school districts.

Because the state underfunds kids in CITIES with its BEP formula, Nashville has to make up in our budget for the state's shortfall. And we do. We simply cannot fail in our support of our schools. We will continue to fight vigorously for the future of public education and fair funding for Nashville.

TRANSPORTATION INFRASTRUCTURE

Our future requires investment in infrastructure. We must be smart investors.

In total dollars, this will be the largest funding of transportation that we've ever seen.

Council Member Burkley Allen, you've been a champion for smart public transportation and infrastructure improvements to keep Nashville moving forward. Thank you for your partnership.

As part of Metro's Transportation Plan, we're creating a traffic management center and connected "smart signals" to reduce congestion. We're forming and staffing a Department of Transportation that is outcomes-driven and accountable to measurable results.

As a Vision Zero city, our sidewalk, paving, and traffic management improvements will reduce terrible and unnecessary injuries and deaths and value safety for our pedestrians.

Today, we're proposing to restore WeGo's funding with \$25 million in this year's operating budget after maximizing CARES act resources last year for the MTA/RTA subsidy.

Most of our transportation funding comes from the capital budget and federal and state grants. But this budget funds 42 new positions to allow our DoT to effectively seek and administer the new spending. They will help us get a big job done. More than a rebranding, our DoT will have the capacity to make major improvements.

We will create a Traffic Management Center to manage congestion. And we will double our capacity for traffic calming, bike lanes, and capital projects.

I'm sending my Senior Transportation Advisor, Faye DiMassimo, to help launch the DoT. To solve a persistent frustration in Nashville, Faye and her team will improve sidewalk construction times by 50 percent and reduce costs by 20 percent within 12 months – as we work to build and repair 75 miles of sidewalks.

We must make these smart, neighborhood-focused investment to keep Nashville on the move for generations.

STEWARDSHIP / EFFECTIVE GOVERNMENT

A city that works must be an excellent steward of taxpayer funds. It also has to have a strong balance sheet to be able to fund state and Federal grants.

We spent most of the past year under a hiring freeze, a non-essential capital spending freeze, and a non-essential operational spending reduction.

To address our budget crisis, Metro made the difficult but necessary decision to increase property tax rates last year. We did what we had to do. But with our strong growth in property values — we are a successful city — the effective property tax rate is dramatically falling back to \$3.288 after equalization.

Nashville has the lowest tax rate of any major city in Tennessee. And our new tax rate is more than one dollar (\$1.00) less than our own average rate over the past 25 years. We should be proud of being the lowest tax city in this low tax state. Our equalized tax rate will be the third lowest of all time in all of Metro history.

Equalization creates different effects based on individual parcel value appreciation. Your investment in Nashville has been well rewarded over the past years. In general, fifteen council districts will see a decline in average property tax bills. Twenty council districts will see average bills increase.

Let's talk efficiency and performance from your government.

Metro's General Government has fewer employees than it did a decade ago, adjusted for population.

Our Office of Performance Management is currently tracking over 11,000 data points to measure performance and cost.

Soon, you'll be able to track our Department of Transportation's progress toward my goal of delivering sidewalk projects faster and cheaper.

We're efficiently delivering services in critical areas.

Metro's 9-1-1 answer time has improved by over 26 percent, averaging just 6 seconds.

Fire response times are 5.3 minutes ... well below our goal of 8 minutes.

99.75 percent of all residential trash and recycling pickups are now on time.

In the last month, potholes were filled in 3.3 days ... nearly 60 percent faster than our goal of 8 days. The Council and I were elected to fix problems ... and that includes delivering on the important city services ... like filling potholes and picking up trash. And that is getting done.

For the first time, Metro is publishing performance data in an accessible, usable, and timely way. And you can use this information to hold us accountable to expect excellent customer service.

We are also making the 4% fund into the 5% fund — as we pay for needed capital equipment with funds at hand, rather than long-term borrowing, an excellent long-term financial reform.

DIVERSITY IN GOVERNMENT

All Nashvillians deserve efficient and effective public services. And you deserve equitable representation in the government that works for you.

We work with the most diverse council in our history. Half of our city is now represented by women. A quarter of our council members are African American. And the council includes a record number of New Americans and LGBTQ members.

The diversity of the council is also reflected in my office. Today, half of the Mayor's Office staff are members of a minority. We are proud of this all-time record.

EMPLOYEE PAY

Throughout this past year of crises, our city has time and time again depended on our public employees. Now it's time for us to support them.

Today, we propose funding Metro's largest employee pay plan with an investment of over \$30.4 million.

Our investment in our employees includes a 2 percent cost-of-living adjustment and open-range and step increases. I know that you as council members value our employees as much as I do. I'm particularly grateful to Council Member Kathleen Murphy who has been an outspoken champion for Metro workers.

As we prioritize our workforce, we are also taking steps to control costs. Next week, the Employee Benefits Board will vote on a platinum Medicare Advantage solution that will deliver excellent retiree care at reduced costs. A win, win, win for everyone.

This commonsense plan will protect our pensioners while cutting Metro's OPEB liability by an estimated \$1.1 billion. It represents a decisive step in managing our retiree liability.

In an effort to make our finances more just, we've collaborated with Criminal Court Clerk Howard Gentry and Sheriff Hall. As recommended in the 37208 Report, I'm pleased to announce that we will be reducing our reliance on fines and fees by half.

Among other reforms, we are eliminating work-release fees and probation fees that burdened those who have already paid their debt to society. Council Member Brandon Taylor has helped us spearhead this priority.

NORTH NASHVILLE / BORDEAUX

Nashville is a city on the rise, and every neighborhood must be a part of our continued ascent.

Monday was Courtney Pogue's first day as Metro's ECD Director, bringing decades of experience from Dallas, Chicago, and Atlanta ... where Courtney worked closely with the Atlanta University Center, a model for aligning HBCUs with a broader economic development strategy.

Our HBCUs are our future and provide Nashville with its best platform for growth and opportunity.

Like our transportation plan, Nashville needs a long-term economic development strategy, and Courtney will help lead this effort with an eye toward equitable growth in Nashville.

We know that vibrant neighborhoods don't happen by accident. They require thoughtful, intentional investment in the people who live, work, and learn in historically underserved communities.

When I-40 was originally built, it divided North Nashville and hurt the vitality of the historic Jefferson Street corridor. This was a generational wrong.

Our latest capital spending plan takes full advantage of potential federal funding for an interstate cap – a land bridge that will be designed by the community.

On Clarksville Highway, the North Nashville transit center will improve public transportation while increasing access to jobs in the region.

And to support Nashville General Hospital's mission of caring for the most vulnerable, Metro is increasing their subsidy to a total of \$49 million ... a 14 percent increase year-over-year.

In North Nashville and Bordeaux, we're launching a first-of-its-kind \$2 million participatory budgeting process. Funds will be allocated for neighborhood infrastructure improvements in North Nashville.

This innovative approach to neighborhood infrastructure will give every North Nashville resident a direct say in how their community grows.

These initiatives aren't a cure-all for these neighborhoods. They cannot erase the inequities of the past. But as a city, we must be intentional in how we invest in North Nashville and Bordeaux.

COMMUNITY SAFETY

This morning, I'm honored to welcome a few of the heroic first responders from the Second Avenue bombing.

From the Metro Police Department: Officers Luellen, Hosey, Sipos, Topping, and Wells, and Sergeant Miller.

And from the Nashville Fire Department, Norman Crawford and Gregory Johnson.

We're grateful to you and all your colleagues for your courageous service, especially over the past year.

Today, we're proposing a 49 percent increase in the Office of Emergency Management's operating budget. That's what happens after a year of emergencies.

The Nashville Fire Department will receive an additional \$9.3 million to hire 40 new firefighters and 20 new EMTs. These new hires will staff fire halls from Hermitage to the Nations.

In 2020, Metro's Office of Family Safety saw a 29 percent increase in client visits over the previous year ... so, we're proposing a 62 percent increase in their funding to help victims and hold abusers accountable.

Nashville, like every city in America, saw a significant increase in homicides last year.

In 2020, felony violent crimes increased by nine percent over 2019. The good news this year is that this same crime rate is down 16 percent year to date. But, certain violent crimes – particularly gun crime – remain a growing problem.

Today, the MNPD has redeployed 76 officers to neighborhoods where violent crime is most prevalent. The Office of Alternative Policing Strategies is working on community solutions to the problem of violence. And our Community Safety Partnership Fund will support nonprofits working to prevent violence and provide opportunities across Nashville.

And on April 19th, Ron Johnson joined our office as Metro's first community safety coordinator. As a lifelong coalition builder and community leader, Ron has the experience and expertise to work with the community to address gun violence and other violent crimes.

I'm grateful for Ron's dedication to public service, and I look forward to working closely with him to create safer neighborhoods.

This budget includes 40 new officers to begin staffing for the long-awaited Southeast Police Precinct, a project championed by Council Members Vercher, Lee, Porterfield, Styles and Rutherford. 8 new sergeants will be hired to help further the coaching and development of our officers using our new body-worn camera program in every precinct.

And last month, I announced a \$3 million grant to support innovative, evidence-based community safety initiatives. \$2 million will fund community safety strategies.

Another \$1 million will help our residents with behavioral health counseling, including a more robust co-response model for mental health crises.

We've also increased our investment in this proposed operating budget in the Healthcare and Behavioral Care Center at the Sheriff's Office, and our partnership with Mental Health Co-op. And we're expanding the staffing at Metro's Bureau of Health Equity.

I want to thank Council Member Sharon Hurt for her tireless mental health advocacy, especially for our most vulnerable neighbors.

And I'm grateful to this Council and Chief Drake for committing to a new standard of policing in Nashville.

AFFORDABLE HOUSING

In a city that works for everyone, anyone who works here should be able to live here. That includes our teachers, first responders, and food service workers – the essential workers who got us through the past year.

I am proud of the work that our Affordable Housing Task Force did this year. I'm pleased to announce that we are immediately making progress on five of their forthcoming recommendations.

Nashville, we are poised to more than triple our investment in affordable housing.

All told, this budget and our pending American Rescue Plan funds will bring Metro's investment in affordable housing to \$37.5 million. Here is how we are doing it.

This budget increases the Barnes Fund from \$10 million to \$12.5 million. We've also increased the impact of Barnes Fund grants by extending the required time that units remain affordable.

I will be bringing Council a recommendation for another \$10 million to the Barnes Fund using A-R-P funds.

I'm also recommending \$10 million in federal funds go to creating a Catalyst Housing Fund. The Catalyst Fund, a recommendation of our housing task force, will allow for quick action to preserve affordable units.

We also have operating funding for a long-term housing plan and two new positions within the Planning Department devoted to affordable housing. Including an affordable housing inventory assessment with every rezoning and neighborhood plan will make housing central to everything we do.

Legislation for a new \$3 million payment in lieu of taxes program for affordable housing will go to Council in the coming months. When builders create affordable housing, we will adjust their tax bills through an innovative PILOT effort available all over the city.

Our capital spending plan includes \$2 million for infrastructure participation agreements for affordable housing. Tax abatements and participation agreements have long been used for economic development. We are now directing these tools to help create affordable housing.

Consistent with another recommendation of the affordable housing task force, I'm announcing an RFP plan for 3 acres of Metro-owned land on 24th Avenue North. I will be working with Council Member Kyonzté Toombs to incorporate community feedback into the RFP.

Long-term, property tax revenue from the Oracle project will provide an additional, long-term, sustainable source of funding for our affordable housing efforts. I want to thank Council Member Zulfat Suara for her work in helping make this happen.

This is a big year for affordable housing in Nashville. We are greatly increasing funding, implementing new tools, and expanding our capacity as a city.

For our neighbors who are experiencing homelessness, Metro has worked with partners to house more than 300 people in just the past seven months using COVID relief funds with a goal of at least 100 more

in the coming weeks. Along with proposed operating investments in staff and information systems, additional federal funds through the A-R-P will expand our efforts to alleviate homelessness in Nashville.

Metro is working closely with community partners to coordinate housing navigation, case management and support services, and to provide incentives to landlords who accept housing subsidies.

These federal funds present a historic opportunity to help our neighbors in need. We are committed to using them equitably to benefit as many people as possible.

SUSTAINABILITY

In 2019, we worked closely with this council to pass sweeping sustainability legislation. We've since taken steps to protect our climate and preserve our local environment.

I'm grateful to Council Member Freddie O'Connell for helping us establish aggressive benchmarks for emissions, energy use, and fleet requirements.

Metro's goal is to reduce our carbon emissions by 70 percent by 2050. We're also committed to sourcing 35 percent of our energy from renewable sources by 2025 ... with a long-term goal of 100 percent renewable within 20 years.

These targets are consistent with the most progressive climate cities in America. And they meet or exceed those in the Paris Agreement.

Last year, Metro Nashville became the first local government to pursue access to utility-scale solar power in the Tennessee Valley region.

This is a bold step forward to reduce our carbon footprint. And it places Metro operations over one-third of the way toward 100 percent renewable.

Metro's 100 megawatts of solar power will produce the clean-electricity equivalent of removing more than 14,000 cars from the road, every year, for the 20-year term of the Power Purchase Agreement.

Delivering on one of the Sustainability Advisory Committee's recommendations, this budget will include every-other-week residential recycling. Last year's budget crisis prevented us from being able to act on this initiative. But it's time to commit to more frequent recycling service to divert waste from our landfills.

Metro's "Energy Savings Program" has also created a revolving fund to support energy-efficiency retrofits in Metro General Government facilities.

Reducing and greening our power consumption is a cost-effective way to fight climate change. 'Going green' also grows our economy and puts people to work.

Sustainability is more than a priority – it is a promise to create a worthy future for our children.

CONCLUSION

At last year's State of Metro, my message was a statement of principles as much as it was a review of our budget priorities.

In a time of unrelenting crisis, we stood firm on our priorities: a sound budget, good schools, strong neighborhoods, and the long-term success of our economy.

Our discipline and determination have paid off. And Nashville can now focus on becoming a city that works for everyone.

A thriving community doesn't come about easily. And it doesn't happen by accident. It requires conviction, intention, and collaboration.

The conviction that we can always do better – for ourselves and our children. The intention to make equitable and responsible investments in our neighborhoods. And the collaboration it takes to live, work, and grow together as a community.

Nashville's bright future depends on these investments. In education, transportation, and community safety. For our environment, for more affordable housing, and great jobs for all Nashvillians.

One year ago, our future was uncertain. But today, there is no city in America better positioned for the years ahead than Nashville. We've weathered the storm. We've repaired our finances. And we have a new opportunity to rise together, as a city that works for everyone. This budget is investing in our kids, our teachers, our families, our neighborhoods to create a better city.

Thank you.

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