

STATE OF THE CITY

MAYOR JOSEPH P. RILEY, JR.

JANUARY 30, 2014

I am pleased to report to you tonight on the State of your City. I begin by thanking you, the citizens of Charleston, for your great job in dealing with the winter storm and commend our amazing team of city employees – many who stayed up through the night on duty to make you safe.

The progress and achievements I outline tonight are also a tribute to you – the citizens of Charleston, our fine City Council and our hardworking and dedicated City employees.

Our economy is surging. In September, a Charleston company on Daniel Island, BenefitFocus, made its debut on the NASDAQ stock exchange and in December announced 1,200 additional jobs and a \$60 million campus expansion.

The closely followed Milliken Institute ranked Charleston the 11th best performing economy in our nation. Four Charleston hi tech companies made the nation's fastest growing companies list. This follows on the heels of PeopleMatter, another rapidly growing hi-tech company opening its national headquarters on Upper King Street last year.

The West Coast has Silicon Valley. Without any doubt, the Charleston region is Silicon Harbor and this was further reinforced by Google's announcement of another \$600 million investment in the Berkeley County Data Center.

The hi-tech economy is not, however, made up simply of large companies, but the work of countless entrepreneurs starting small initiatives or growing existing companies. It is the climate in our community that encourages and reinforces these investments.

An important part of that climate is the investment the City of Charleston has made in its 2 Flagship buildings. These buildings have produced 76 graduate companies since 2009; that is, companies that started in the Flagships and out through then moved to their own new headquarters space.

Because of the success of our flagship incubators, we intend to create Flagship 3. City Council approved in June the acquisition of a Morrison Drive property that will allow the creation of a 45,000 square foot, hi tech business hive of activity.

The housing industry is also surging in response to the growing economy and also because people and their families want to live in our neighborhoods and enjoy our

quality of life. Last year, new homes were being built in every section of our city; 829 to be exact – the second highest number in City history. Also, a record number of new apartments, 912, were constructed. The Élan Midtown Apartment Building was the first new apartment residential community built in the peninsula in 50 years. The total construction in the City last year was \$700 million.

After a competitive process, a master developer was selected for the Horizon District. This will be a new residential and commercial neighborhood to allow the Medical University of South Carolina's research activities to ripen into new business and job opportunities. This district will take at least 2 decades to completely unfold, but in time it will be a robust part of this region's economic engine.

The remarkable revitalization of Historic King Street continues to unfold as the Midtown development gets underway. This \$80 million development will contain 2 small hotels, office and conference space, a 405 space parking facility and will open in March of 2015.

A block north, we will begin to see the first phase of Courier Square. This vacant parcel will be transformed into a beautifully designed office building and adjacent residential community. Having people live and work near to each other in the Meeting Street and King Street corridor will insure vitality, livability and economic success.

West Ashley has seen a remarkable revitalization of commercial districts. South Windermere, one of the first shopping centers in South Carolina, has been beautifully renovated and is robust in its activity as is the equally one-time pioneering St. Andrews Shopping Center. And across the street from St. Andrews is the Avondale Point that likewise is experiencing a renaissance.

A committee of City staff, along with me and West Ashley City Councilmembers, will be working on the exciting continued revitalization of the West Ashley business districts. We have retained a national consultant and will be working with landowners in the Savannah Highway/Sam Rittenberg Boulevard retail neighborhoods and with a special relationship with the Citadel Mall. The Citadel Mall is under new ownership. This 33 year old retail center has many strong performers. Belks, Sears, Dillards, J. C. Penney, Target, Dick's Sporting Goods, many small shops and the cinema are extremely successful and see growing revenues every year. Also, what is growing are the beautiful older as well as new neighborhoods West of the Ashley; more people are moving in, housing prices becoming even stronger. This is the sure recipe for further growth in the retail sector. We believe that the Citadel Mall and its adjacent retail neighborhoods have an extremely bright and exciting future and we will be energetically working with them as we have in other sections of our city.

The Supreme Court unanimously rejected the almost laughable lawsuit brought by cruise ship opponents. I say almost laughable not lightly. The only reason for the lawsuit was a hope that it would scare the cruise ships away. And it did not. The lawsuit claimed that the logo on the Carnival's smoke stack violated the City's sign ordinance, that the ships violated the City's height ordinance and, of course, large ships have been calling on Charleston for a long time. Other such foolish claims were made. The Ports Authority and the City joined in the lawsuit and fought vigorously to have it dismissed - and it was. We look forward to being able to begin the construction of a new cruise terminal and then allow for the careful planning and redevelopment of the southern part of Union Pier, which now has rusty and ugly warehouse buildings and will be transformed into a beautiful part of this city giving our citizens more access to our harbor.

Also, great progress continues to be made on the deepening of Charleston Harbor to 50 feet or deeper. The harbor deepening is essential for the continued growth and development of our port and the business activity in our region and state which the Port of Charleston supports.

The \$ 30 million Market Street drainage project continues apace. Here you can see the 9 foot tunnel that will collect storm water. It will be half a mile long, 140 feet under the city. This very complicated engineering construction project will be completely finished in 2 years.

Construction of the \$20 million Phase II of the Crosstown drainage project shall begin this spring. This will continue the installation of new surface storm water collection infrastructure and will extend from President Street to the Ashley River and then north and south on President Street. Also, as a part of this project, 8 shafts will be sunk to a depth of approximately 140 feet to connect with the 3rd phase tunnel system. We expect to begin construction of Phase III, a 12 foot diameter tunnel, this fall. This \$54 million tunnel will be a mile and a half long; 140 feet under the City running from under Coming Street to the Ashley River.

The St. Andrews/ Forest Acres drainage project is nearing design completion and will be out for bids this fall. These 4 drainage construction projects have a total cost of \$112 million and are funded and under construction this year.

The East Calhoun Street drainage system will be receiving qualifications from engineers at the end of February.

Needless to say, a lot is happening on modernizing the City of Charleston's storm water system.

A construction project that is very visible is the rebuilding of a part of the Battery. This \$2.8 million project, as you can see, is well underway. An added benefit of rebuilding this section of the Battery will be a handsomely and carefully designed handicapped ramp that will allow all citizens to be able to transition from High Battery to Low Battery. The next phase of the Battery seawall restoration will be High Battery, which will be carefully restored, and then following that will be section by section restoration of Low Battery. As with our historic structures, the City is committed to restoring this important, historic and beautiful part of our waterfront access. There are few promenades as spectacular as the Battery anywhere in the world.

Last year violent crime in the City of Charleston decreased 17%. In fact, serious crime has declined over 70% in the last 7 years.

Crime reduction does not happen automatically. It is created by hard work and community engagement. This last year, the City added our School Security Response Team. An additional 19 officers who work closely with all of the schools in our city were added in light of the tragedy in Connecticut to make sure we had the best school security program in America and I believe we do.

We were awarded a competitive grant for additional police officers whom we will add to community action teams that give us a greater capacity and resources to work in our neighborhoods that produce additional challenges. Our Police Department also knows that their success is dependent upon a positive relationship with our neighborhoods. The Police Department sponsors summer camps so that young people get to know police officers in a positive way and see them as role models. The new Friday Night Lights program, engaging community and children with our police officers, has been a huge success. And, the West Ashley community Stand Up Charleston program could be a national model.

We are very proud that Chief Mullen won the state of South Carolina Recreation and Parks Association 2013 Champion Award for his role in working closely with area recreation initiatives.

Chief Karen Brack and the members of our Fire Department continue to excel; opening the newest and largest fire station this December. Station 9 will not only be able to house 8 different firefighting and lifesaving apparatus, it is also designed with strong seismic reinforcement to function as an excellent central space in times of natural disaster and in addition to accommodating 8 companies of firefighters, has a large room that will serve for department personnel training, planning exercises and also a community room for adjacent neighborhoods.

This year we were so proud that Battalion Chief Brian Kleskie was named the Safety Officer of the Year for the United States by the Association of Fire Chiefs; recognized for his accomplishments in fire safety.

City Council authorized the construction of 2 new fire stations; one on the Cainhoy Peninsula and the other at the Carolina Bay neighborhood. Planning has begun on those stations. And we had the largest acquisition of fire equipment in our City's history. Three sparkling new fire engines have recently arrived, a new 104 tiller, which is a fire aerial truck that has front and rear drivers so as to be able to maneuver the intimate spaces in our city and successfully fight multi-story fires. Also, a new aerial tower has been purchased for the Bees Ferry station and a state of the art hazardous material multi-purpose van.

Also, the Medical University is partnering with our Fire Department to teach emergency medical technician classes at our training facility. The Fire Department was licensed by DHEC to operate an emergency management training first responder license, which allows our personnel to operate on a higher level of care when functioning as the first responder and can assist patients who have breathing difficulties as well as administer certain medicines and other important other lifesaving practices.

A City park belongs to every citizen and to each person the park serves a different need and creates special memories. Our growing city should have a growing and improved park system. Under construction West of the Ashley is the new Northbridge Park. This park will give access to the Ashley River: a place to relax, to picnic, walk on the pier, to fish, take your kayak and so much more. This park beautifies what had been a scruffy, forlorn area adjacent to the North Ashley River Bridge. This park began with an idea of an 11th grader, Miranda Caruth. Her sketch, stemming from her love of her city, will soon be this park. Miranda, now a junior at USC was with us for the groundbreaking.

In the Maryville community are 2 special opportunities for new access to the water's edge. Higgins Pier will soon be under construction at the end of the West Ashley Bikeway. It was once a railroad trestle. From Higgins Pier, as you can see, the views are extraordinary, whether it's the playful dolphins or the vista of the Ashley River. The pier is named after Leonard Higgins, a tireless leader and neighborhood council president.

Not far from Higgins Pier, as the crow flies, there are 2.6 acres on the water's edge that form a part of the Charlestowne Landing view shed. This property was slated to be developed. You would then have been able to see a large development as you looked out from Charlestowne Landing. With the creation of a park, the view from the birthplace of our state is protected and there is yet another wonderful opportunity for residents of our city West of the Ashley or visitors to view the remarkable Ashley River vista.

The City of Charleston proudly acquired the Angel Oak in the 1980's to open it to the public and to preserve its health and later we were able to add 6 acres as a buffer. Last year, with the leadership of Chairman Teddie Pryor, Vice-Chairman Elliott Summey and the members of County Council, Greenbelt funds were made available to assist in the purchase of 17 acres adjacent to the park. The City of Charleston and the Lowcountry Open Land Trust made substantial contributions to make it possible. Just last month after very difficult negotiations, we now have the opportunity to acquire an additional 18.7 acres. Therefore, Angel Oak will be part of a 45 acre passive park. We look forward to working with the citizens of our community as we together plan this newest addition to the community's parks system.

Colonial Lake, which can trace its heritage as a public space from the late 1700's, is going to undergo a \$5 million restoration, which will include improving the water quality and an even more beautiful public park in our city. This will be a wonderful public private partnership with the City of Charleston and Charleston Parks Conservancy. Over \$1 million has been privately raised to support the transformation and enhancement of this special historic park in our city.

The Charlotte Street Park is the transformation of a gritty termination of Charlotte Street into a small, beautiful passive park and contains a special memorial to the City of Charleston's Irish ancestry. And, a tiny park adjacent to the historic Wentworth Street station was created honoring former Mayor Courtenay.

The Gaillard Performance Hall construction is on schedule. This will be one of the great performance halls in America. It will be a cherished place for all of our citizens from school children to their great grandparents. And, most wonderfully and generously, one-half of the cost of this civic building is through generous private donations. It will open next spring.

When I was a child, there was a billboard in the City that said "Welcome to Charleston- America's Most Historic City". Certainly Charleston, if not America's most historic city, it is one of America's most historic cities. So many important parts of American history occurred here or Charleston played an important role in them. Such is the case with a part of the American history that we know comparatively little about, and that is, African American history. To be sure, it is American history. Forty percent of all enslaved Africans who were brought to North America came to Charleston. Their impact upon this city and their descendants' impact upon our country deserve a far fuller study and presentation than now exists. The International African American Museum will be an institution of national significance. We have been in discussion with the Director of the National African American Museum in Washington, which is under construction and part of the Smithsonian system. We believe our museum can become an affiliate of the Smithsonian. City Council and County Council have each committed \$12.5 million towards this institution, which will among other things have a

tremendous economic impact for our region and our state. We are seeking state funds and private funds to enable this important institution to be built. We are working closely with the Avery Institute of the College of Charleston in this important initiative as well. Our goal is to begin construction two years from now.

The City has assisted in producing thousands of apartments or homes of affordable housing -- none more complicated or special than this wonderful combination of new and renovated residential structures on Engel Street just off of the Crosstown. A combination of apartments, managed by the City Housing Authority, and homes create a wonderful new neighborhood in an area that only recently was marked by vacant lots and dilapidated structures. I don't believe there is a better model in America of a small neighborhood restoration than this.

We are so proud of the new and beautifully renovated schools in our city. Some of our older schools were faced with serious structural, seismic and other deficiencies and the School District commendably agreed to their complete renovation. Memminger, Charleston Progressive, Buist Academy and James Simmons are wonderful brand new schools. These schools are in every sense of the word brand new even though some are in historic renovated old structures. The School District has earned historic preservation awards and has earned the appreciation and thanks of the school children and their families who will benefit from these newly built schools. Bill Lewis, Director of Construction for Schools, gave tremendous leadership and energy to make this happen. He is retiring from the School District after an illustrious career. We owe him a special debt of gratitude. These schools remind us that there are still schools in our community that need renovation and new schools built to replace classroom trailers. I believe it is important that we extend the one cent sales tax for school construction. The economic growth that this region is experiencing is not one-sided. We must have world class education for our children and that demands twenty-first century world class schools.

Also, our library system needs expansion and updating. The nature of libraries becomes even more important in the digital age. We will have an opportunity to vote to enhance a most precious asset we have and that is the freedom to access knowledge.

Our First Day Festival this August was a wonderful success with 10,000 students and their families celebrating the beginning of another year of education. In addition to our hard working City staff, 400 volunteers help make this very special and memorable event possible.

I have the special privilege of working with my Youth Commission of student leaders from many of our high schools, who come together to share information, ideas and concerns with each other and to help me and our city better and more fully understand the thoughts, challenges and needs of the next generation.

The City of Charleston is so proud to continue to be ranked at the very top of so many lists including the Conde Nast list of favorite city in the US to visit and one of the top in the world.

Adding to things to see when one comes to Charleston, and just as important for Charlestonians to see, is the beautifully new renovated replica of the Best Friend of Charleston – America’s first regularly operated passenger train. In a beautiful new building built adjacent to our Visitor’s Center rests the Best Friend. Working with historians and exhibit designers, the Best Friend will be a part of a museum free to the public and will be opening in early March. It’s something we will all want to see.

Of course, as we celebrate our much deserved popularity as a place to visit, we must be ever mindful of our responsibility to manage this city and manage our tourism industry. Charleston created the first tourism management plan in our country. It has been updated since then and we have developed a number of regulations including the management of visitor accommodations which we are updating this year as well. However, I believe it is time for a fresh look at our tourism management plan and therefore have created the Tourism Management Plan Advisory Committee.

Tonight we are honoring a special neighborhood leader with the Harold Koon Award, which is given annually to somebody whose service to their neighborhood is inspirational. Tonight we honor Julia Mae Simmons, who is the Neighborhood Council President of Joseph Floyd Manor. Mrs. Simmons’ example of caring for her neighbors is so inspiring. As a neighbor wrote “in this present age when we place so much emphasis on material things and efficiency, we should remember too that service given freely and happily to others is what sustains us and binds us together as a community”.

This is the State of your City – old in history but ever so young in spirit and inspired by wonderful citizens.

Thank you and good night.

