

The State of the City 2023

Our best Days Lie Ahead

INTRODUCTION

Thank you - all of you - for coming here this evening. I would like to thank the city council for changing their schedule to accommodate this speech. I would like to thank District Attorney Paul Tucker, State Senators Barry Finegold and State Representatives Andy Vargas and Ryan Hamilton for coming here this evening.

And most of all, all you, thank you for coming here this evening.

Our city has undergone a tremendous change in the past 19 years. There are so many of you here today who helped. I am so grateful to all of you.

But before I talk to you about the progress we have made, let's take just a couple of minutes to see a brief video.

video available with this link: <https://www.youtube.com/watch?v=y04d8tll7Sc>

Thank you. I'd like to thank Matt Belfiore and Chris Bowden for this great video.

I think that by now all of you are familiar with what we all faced 20 years ago. As you saw in the video, back then most of the old shoe factory buildings were abandoned and off the tax rolls.

But the worst of it was the city's finances. Because of the collapse of the municipal hospital, the city's finances had collapsed, and we were left with the largest municipal debt in the history of Massachusetts. On top of that, the high school was on accreditation probation and there was no money to fix it.

What bothered me the most back then was that **people had lost hope in the city**. Two state representatives predicted that we would be taken over by the state and placed into receivership. Numerous department heads opted for early retirement rather than work for a city they were afraid would fail.

We lost a lot, but we also had a lot going for us.

We had a great workforce who believed in this city and stuck with it. I see many people here this evening who were here 19 years ago, and I would like all the employees here 19 years ago and here this evening to stand and be recognized.

And I would like all of our city employees to stand and be recognized because it is they who have made this the great city it is today.

We also had an excellent group of community volunteers and civic leaders, who got involved, joined committees, and helped keep this city going.

THE BUDGET

Our first task was to balance the budget. We faced a structural deficit every year between \$3-5 million a year. Just like any other budget, to balance it you need to cut expenses and increase revenues.

Cutting Expenses

Cutting expenses was tough because my predecessor had done a great job in making cuts.

But it turned out that so many department heads leaving gave us the opportunity to cut down the size of government by consolidating departments and cutting hundreds of thousands of dollars in salaries.

Cutting Nondiscretionary Items

We saved some money by putting everything out to bid, even things that were not required to go out to bid like ambulance services, trash pickup, outside counsel, electricity.

Cutting Health Care Costs

Then around 2008 or 2009, the recession hit, and our state aid was cut by millions. We knew that if we were going to balance our budget, we had to tackle one of our largest costs - municipal health care costs, which at that time were rising rapidly.

Many other communities also faced skyrocketing health care costs. The legislature fortunately passed a municipal health care law that allowed cities to go into the same health care plan that state employees had. To accomplish this, the city council had to authorize the mayor to enter the GIC (Group Insurance Commission). In some cities this was a tough fight, and some cities have not been able to do it to this day. But in Haverhill it did happen, and I want to thank those city councilors who took that tough vote, which saved us millions of dollars over the years.

Expanding Revenues

Increasing Taxes & Fees

We quickly found that we could not cut our way out of this. We also had to raise revenues.

We raised taxes to the limits allowed by Proposition 2 1/2, increased fees, then established new fees. We put in a meals tax which today brings in \$1.2 million a year in revenue.

Hale Debt Relief Money

When we started, the state was not helping at all with the Hale debt. We argued to them that the Hale Hospital served the entire region, and it was unfair to ask just the taxpayers of Haverhill to pay the burden. In many years, State Representative Brian Dempsey was able to persuade the state to assist us and that was a tremendous help.

Expanding the Tax Base

All these things got us through the immediate crisis, but just about everyone recognized that the long-term key to our future was to expand our tax base.

There was no handbook on how to revive an old industrial city, so we spent a lot of time back then looking for books, articles, going to seminars.

Martha, my wife, would look for seminars for me to attend. I remember she found one seminar and said, "Jim this is just perfect for a guy like you." It was called *Brownfield's for Dummies*.

I was lucky to have an economic development team who saw the abandoned factory buildings downtown not as liabilities or fire traps but as assets that would add to our tax base to get us out of this.

At that time, housing was not allowed in the old industrial zone. We rezoned downtown to allow for housing, and then rezoned again several times to make it easier. We held several conferences to attract developers and little by little, bit by bit, the abandoned factories were turned into housing and put back on the tax rolls.

We learned a lot. We learned that it takes time, it takes effort and you must eliminate red tape and regulatory barriers to make it happen. We learned that the key to redeveloping downtown isn't **more** parking as everyone thought. It's **less** parking - reducing the number of parking spaces per unit that a developer is required to provide.

This took a lot of convincing, but eventually we were able reach a compromise on this. Without reducing parking requirements, it's doubtful that any of these great developments downtown would have happened.

We also needed a new parking garage. I made an agreement with our congressman at the time, Marty Meehan, and he made this possible through an earmark.

Reducing **off-street** parking requirements meant we needed to manage **on-street** parking. Our parking experts all told us, you can only manage parking if you charge for parking. That was a difficult four-year fight before the city council, but we finally got it through. Today, paid parking brings in about \$350,000 a year and helps us keep our downtown thriving.

The result exceeded our wildest expectations. Downtown property values soared by \$65 million - some from inflation of course, but also because we put property back onto the tax rolls. The increased tax revenue from downtown eventually was \$5 million a year - enough to pay the Hale debt every year.

Using the Increased Revenue

Police & Fire

Once we got increased revenue, we were able to improve services. We reopened the Bradford fire station, kept the library open and expanded services.

At the beginning we were forced to cut back on the number of police officers. We were able to add them back in, and then eventually add about 9 or 10 more so that today we have the largest number of police in our history.

This gives us an outstanding police department, one of only four in the state that is federal and state accredited. From the day I took office until today, overall crime in Haverhill has gone down by 65%. House break-ins are down 75%. Motor vehicle thefts are down by over 90%.

We have several members of the police department here this evening, and I ask them to stand and be recognized.

Schools

The increased revenue gave us the ability to expand funding to our schools.

The state sets minimum standards on how much a city must spend on schools. When we started, we were funding at about the minimum – that’s all we could afford. Today we are about \$10 million a year **above** the minimum.

Supporting education also means improving the quality of school buildings.

In the past 20 years, we have renovated the high school, built a brand new Hunking School and made major repairs and improvements to every other school in the city. Between repairing old schools and building new ones, we spent \$110 million on fixing the infrastructure of our schools.

Quality of Life

We also used some of our increased revenue to improve the quality of life of our residents. We installed miles of new sidewalks and planted over 3,000 trees.

We improved every park and playground in the city and added several more. At Riverside Park, we added a new playground and a new dog park, repaired the ballfields and walking paths. This year, thanks in part to the generosity of local businessman Ernie Diburro, we will be one of the first cities to have public outdoor and public **indoor** pickleball courts. Ernie is here tonight, please stand and be recognized.

We were aggressive in seeking state grants, and we were able to put in a beautiful spray park at Swasey field, several new playgrounds, a new dog park, new docks and boating downtown, and a brand-new rail trail which someday will go all the way to Groveland and Georgetown.



We have several people who have helped with this over the years and made this possible: Vinny Ouellette and Ben Delaware from the rec department, Andrew Herlihy, our rail trail committee and so many other employees and volunteers. Thank you.

Industrial Parks

We learned that the key to expanding tax revenues is to expand the tax base. We rezoned our industrial parks to allow for more growth and more business. In the last two years alone, there will be an additional 1,000 new jobs in our industrial parks as companies like Amazon, Monogram Foods and Edwards Technology have relocated here. I thank our great economic development team - Bill Pillsbury, Pam Price, Andrew Herlihy and Matt Hennigan - for making this happen.

Still Challenges to Overcome

We've made great progress, but this is no time to stop and rest on our laurels. There are still many challenges to meet.

Budget Challenges

One of these is the budget, which will always be a challenge in every city, particularly if there is a downturn. In the past we had no reserves to draw upon and had the lowest bond rating in our history. Today most of the Hale debt is paid, we have the highest bond rating in our history, and for the first time we have adequate reserves to help us meet upcoming challenges that will always happen in a city.

Include Every Member of the Community

We still have many other challenges. Over the years, we have faced the challenge of making certain that every member of our community, regardless of their primary language or where they were born knows that they are welcome here. In my very first inaugural address 20 years ago, I said to the Latino community "esta ciudad is su ciudad" - this city is your city - and over the years we've worked hard as a team to make that phrase a reality.

We began to advertise job openings in Spanish language newspapers to give everyone a chance to apply. By giving people a chance, by making certain we hired on merit not on politics, we have increased the number of bilingual employees by over 250%, and dramatically added to the number of minorities on city boards and commissions.

But there is still more to do. Next year we will inaugurate a new system of local government with ward councilors - a system that I strongly advocate for. We are hoping that this results in a city government that looks more like the city. The challenge of having an inclusive city government is a challenge that will always be with us and that we must continue to meet.

Opiate Addiction

And we continue to deal with the twin and related challenges of mental health and opioid addiction. We have a staggering number of young people with mental health and addiction challenges.

To meet this challenge, we have greatly expanded our public health department and we are spending unprecedented resources, some of it from federal ARPA funding, to combat these dual epidemics.

A few years ago, we recognized that many police department calls were from people with drug addiction and mental health problems. We began sending psychological workers out on calls where there was an obvious mental health problem and social workers on calls where there was an overdose. This has been an incredible success and a state-wide model.

Housing

But of all the challenges we face, I think the most critical challenge is the housing crisis. When speaking of the housing crisis, I am reminded of the words of President Kennedy when he filed the Civil Rights Bill more than 50 years ago. President Kennedy said that civil rights was not a sectional issue. This was not a partisan issue. This was a moral issue.

And so, it is with providing people with a decent and affordable roof over their heads. This is not a sectional issue, dividing one section of the city against another. This is not an economic issue. At the heart of it, this is not really just a housing issue. This is a moral issue. How long can we continue to say to those desperate to find a place to live, “sorry, there is no room at the inn”?

Last year, Governor Baker showed us statistics that state-wide we are producing 200,000 fewer housing units **every year** than we need to keep up with demand. This has enormous implications for our state and for our city. Last year for the first time in years, the state lost population and for the first time in over 5 decades, the city lost population as people couldn’t find a place to live.

Without adequate housing it will be next to impossible to continue to bring in new businesses - employees must have a place to live. Without adequate housing, rents will continue to skyrocket. Without adequate housing, our children and grandchildren will not be able to live here or stay here.

Steps Taken to Improve Housing

To help meet the housing crisis, we recently changed our zoning laws to allow for accessory dwelling units. We sold off a largely unused parking lot to the Lupoli companies, and today Haverhill Heights provides a symbol of the new city to come.

Waterfront

We rezoned along the water making it easier to build - provided the developer sets aside public access to the waterfront.

NEW MASTER PLAN: THE FUTURE

But none of this is enough to meet the housing challenge. A few years ago, it became apparent that we needed a master plan and a new vision for our city.

Village Centers

That new master plan - called Vision 2035 - introduced a new concept - village centers.

A village center combines small neighborhood commercial sites with much needed housing and walkable, bikeable roads and sidewalks to get to them. In a way, village centers are a trip back to the future, back to the days when there were stores in every neighborhood.

The concept of a walkable city, a village center or what some are calling a “15-minute city”, is not just in our past. It must also be part of our vision for our future. It can’t happen everywhere in the city but in areas where it can happen, it can revive old neighborhoods and start new ones.

There is More to Do on Housing

But to make this vision a reality will be as much of a challenge as redoing downtown was 20 years ago.

Over the next three years, we will spend \$10 million in federal money to fix more roads and sidewalks than have been fixed in decades. It is not nearly enough. Tonight, we respectfully ask our legislative friends to double the amount of money we receive for road paving under Chapter 90 and to make sidewalk money available to cities for the first time so that this city - and every city in the state - can give people good roads, good sidewalks and walkable, bikeable cities.

But even this will not be enough to meet the housing crisis, the moral crisis, that we face today. To meet the housing crisis, we must do the same thing with housing that we did with the shoe factory areas of downtown: see what the impediments are to moving forward and then work in a responsible way to remove or reduce those impediments.

About 25 years ago we incorrectly thought we had too much growth. We adopted several growth control measures that we had never used before to slow down the growth of housing. Those measures worked all too well.

Now it's time to re-examine how many of these measures, put in to slow growth when we thought we had too much housing growth, are still needed today when we do not have enough housing.

We have always protected and preserved our farmland and our water supply: my administration has preserved 380 acres of open space. Now we need to find better ways to protect our farmland and our water supply and while still meeting the moral crisis of the day - the housing crisis.

And to meet this crisis, we also need to re-examine our way of thinking. We need to recognize that there is no project that is ever proposed that someone doesn't oppose. Our job is to listen to everyone. Input is always good. But it is not our job to attempt to agree with everyone. Our challenge is to do what is best for the **entire** community not just for a few.

THE BEST IS YET TO COME

Yes, there will always be challenges in the years ahead, and we will meet them. But for all challenges, I am confident that our best days lie ahead.

Downtown

Downtown, a new investment - Merrimack Place by the Lupoli Companies - will dwarf all the other investments downtown. If we are able to move this forward, it will provide desperately needed housing, new restaurant incubator space, a brand-new public parking garage, and outdoor public space for outdoor dining in the summer and a new refrigerated ice rink in the winter. The developer, Sal Lupoli, and members of his team are here this evening, and I would like to recognize them. Thank you.

New Village Centers

Our master plan is already bringing us the first new village centers. Where Joseph's Pasta is in Ward Hill, we are going to see a new village center - a miniaturized version of Tuscan Village in Salem, NH.

New Business Park

Hopefully, we will also have a new business park in our city. This new business park - and there are a lot of hurdles to overcome before it becomes a reality - will allow for hundreds of new jobs and hundreds of thousands of new tax revenues.





Waterfront Parks

The waterfront rezoning will bring us a great new development called the Beck and a great new waterfront park at no cost to the taxpayers of the city.



New School

But what makes me the proudest is the upcoming new Consentino school. This new school will be a beautiful new hi tech school with enough new classrooms that if the school population goes up, we can handle it.

Because we planned for this and saved for this, this new school will happen regardless of how the June 6 vote turns out.

CONCLUSION

My friends, we've come a long way. I am incredibly grateful for the opportunity you have given me for the past 19 years to have the best job that anyone in the world could ever ask for.

With your help, we have overcome many obstacles and gotten to where we are today. I told you that 20 years ago my biggest worry was that people had lost hope. Today, I can tell you **hope is back!**

There are always going to be challenges, but I can say tonight that we are well positioned to meet those challenges. We cherish our great history, but our greatest days are not in our history books. Our greatest days lie ahead.

And I can say tonight with more confidence than I have ever had, that thanks to all of you, the future of our city is bright, and the state of our city is strong.

Thank you.