



Mayor Mitchell J. Landrieu

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*****Prepared Remarks*****

Today, we find ourselves in the middle of a fundamental shift in the way government works in America. Our country's debt is staggering. \$13.7 trillion dollars. Almost every state is drowning in debt. Georgia – \$4.5 billion. Florida – \$6 billion. California – over \$54 billion. Our state faces a budget crisis of her own – standing on the edge of a \$2 billion cliff. When I took office in May, we opened the books and found the City in the depths of an \$80 million dollar budget hole.

These debts and deficits require a forceful downward pressure on government spending. Recently, steps to raise revenue and cut spending were outlined by the chairmen of President Obama's fiscal commission, yet these recommendations met a brick wall. Both the left and the right refuse to rise above the fray, change course and create lasting compromise.

At the same time, the National Academy of Science has issued a report titled *Rising Above the Gathering Storm* that warns of impending crisis if the United States continues to weaken in the face of stiff international competition. This report outlines priority actions that include investing heavily in education, doubling federal funding for research and stimulating competition and innovation. We need to look beyond short-term election cycles in order to implement a sustainable long-term change that will preserve America's standing on the global stage for future generations.

Simply put, government must reconcile two opposing forces. It must get smaller and less costly. And, at the same time, government must get better at solving problems and delivering services. In my view, this is not a temporary condition. We are in the midst of a paradigm shift in the way the public sector operates.

That's why I'm so focused on building a right-sized government in New Orleans – one that is smart and lean. One that is accountable and efficient. And above all else, one that tackles real world problems and works for the people.

As I have said before, we must face our challenges head on. As we planned the city's 2011 budget, we made smart cuts. We reorganized. And we invested in citizen priorities. Guided by these principles, we created the New Orleans Business Alliance. Through this historic public private partnership government and private industry will come together to steer economic development in New Orleans. For the first time, this city will have a single coordinated effort to deliver new jobs and spur economic opportunities for the city.

To get moving in the right direction, we had to change the way the city does business. I signed a series of executive orders to completely reform the procurement process – opening the doors of opportunity for hundreds of Disadvantaged Business Enterprises. On November 30th, the City will host an Economic Opportunity Summit to continue to facilitate relationships and create

job growth. This event will bring local businesses together with industry representatives and provide information regarding the City's reconstruction projects and other opportunities. This includes directors, executives and managers overseeing projects with schools, hospitals, oil and gas, maritime, aviation, labor, and high-tech industries.

The city will also commission a disparity study to better understand the capacity and strengths of DBEs in New Orleans. And, the new Chief Procurement Officer and Director for Supplier Diversity will award contracts based on what you know, not who you know. Local companies and DBEs will now compete on a level playing field.

To keep kids safe and provide an excellent opportunity for real world experience we will also fully fund JOB1's summer youth initiative. Next year there won't be a 700 person waiting list. Every day, we are taking action to expand opportunities and we need your help in this endeavor. We all need to work together so that the people of New Orleans reinvent New Orleans.

We heard from the people in this room and business leaders from across the city. For too long City Hall had a 'closed for business' sign on the front door. The permit and license process was a labyrinth of red tape. It is so bad that business people pay top dollar for consultants who can actually navigate this antiquated system. This isn't the way an efficient and practical government works. We are serious about creating jobs and supporting small businesses so in 2011 we will create a "One Stop Shop" for permitting and licensing. Now there will be a single point of contact with a well thought out, efficient and effective permitting and licensing system for our citizens. Furthermore, permitting applications will be available online and soon businesses will be able to track an application's progress. We heard your concerns, and we are taking action.

And the feeling of optimism is spreading even as the nation struggles. The Kaiser Family Foundation in their recent poll found that 67% of residents say they have recovered from the storm and 74% of residents are feeling positive. Against the backdrop of the Great Recession, our region had markedly lower unemployment rates than the national average. In the United States 9.6% of the workforce is unemployed. In New Orleans, a city ranked by the Christian Science Monitor as one of the best places to ride out the recession, our rate is 7.8%. And we began showing job growth back in June and will end the year on a positive trajectory.

Our success has not gone unnoticed by the national media. *Forbes* ranked the New Orleans area eighth in the "Top 10 Cities Where Americans Are Relocating," and CNN Money.com named us the Fastest Growing City in the US in 2009. Having taken these steps, New Orleans is now poised to keep the momentum going and to do more to support economic development in our city. This is what it's all about – jobs, jobs, jobs.

In the last six months, we have welcomed more than \$360 million in new private investments that will generate 800 new jobs. Blade Dynamics will develop 600 green jobs at their new wind turbine factory. Folgers Coffee and TCI are both launching large expansion projects. These two projects will add over 120 and 80 jobs, respectively. These multi-million dollar investments are vital to our economic growth. And, we broke ground at the Hyatt Regency downtown. This \$275 million redevelopment will bring 600 jobs back to the heart of New Orleans, putting the tourism industry back in full swing.

In order to secure these investments, we need to create a solid foundation by reinvesting in our infrastructure. By 2012, funding for infrastructure construction will total \$13 billion as we rebuild our roads, repair our bridges, and restore key public assets. We are linking and leveraging funding and spending \$2 billion to upgrade the Twin Span and Huey P. Long Bridges, another billion on area highways, and \$45 million on a new streetcar line. \$400 million will be allocated for improvements to the airport, \$47 million for the New Orleans Bioinnovation Incubator, \$25 million on a new refrigerated terminal facility at the Port of New Orleans and \$35 million on the expansion of the World War II Museum.

And, perhaps, most importantly, the Army Corps of Engineers plans to spend \$3.4 billion over the next 2 years to rebuild our hurricane protection lines of defense. Our city is safe, secure and open for business. These investments will only add to our economic competitiveness.

What started as a snowball is quickly turning into an avalanche of positive economic momentum. Our established industries are thriving. Our port has been bustling like never before as a hub of global trade. This September set an all-time record for cargo moving through the Napoleon Terminal. We are uniquely positioned to benefit from the upcoming expansion of the Panama Canal, which will increase our current record setting shipments by 13%.

Meanwhile, a new \$1.2 billion VA Hospital will create 2,200 permanent jobs. Along with the new LSU medical center, these will be anchors for a cutting edge bio-medical corridor in the heart of downtown. This sort of development has long been a dream for New Orleans and soon it will become a reality.

Our tourism industry is also booming like never before as people from around the world flock to New Orleans for our world class events, great food, music and culture. A new study, released by Smith Travel, shows that New Orleans is the #1 fastest growing tourist destination in the country. So far, 2010 has been the best year for the industry since Katrina. Louis Armstrong Airport continues to expand to serve more leisure and business travelers. WestJet and AirCanada have announced new international service to New Orleans, while Southwest and United are expanding the number of new non-stop flights. The cruise industry is thriving, as well. Next year more Norwegian and Carnival Cruise Line ships make

New Orleans a port of call, providing over 3,000 jobs, and flooding our hotels and restaurants with 340,000 visitors from all over the world.

We know that New Orleans has always been the cultural capital of the world. Today, there are over 1,200 restaurants in New Orleans – hundreds more than existed before Katrina. New galleries are showcasing local artists and music can be heard in more New Orleans venues than ever before. And, the City is gearing up to host a series of major events over the next three years that include the Men's Final Four, the Women's Final Four, the College Football BCS Championship and the 2013 Super Bowl. New Orleans is back and better than ever.

As our traditional industries thrive, New Orleans is working hard to diversify and expand our economy. In recent years, we have created an industry from whole cloth and become a capital of digital media, film and television. New Orleans has come to earn the nickname 'Hollywood South'. And, our industry has grown exponentially. This year, the city has played host to 35 feature films and television projects, which will produce \$308 million in revenue for the region and create almost 7,000 jobs.

At the same time, major federal, state and local investments are hitting the ground as the momentum continues to grow. My administration fully committed over 100 bricks and mortar recovery projects that are worth over \$700 million that will create over 1,600 full time jobs. We are investing in community priorities and employing place-based development to revitalize all of our neighborhoods. The new libraries, playgrounds, police and fire stations will improve the quality of life in every corner of the city. We are creating a New Orleans that our kids will be proud to call home.

We are also creating a city where our kids are educated in world-class facilities that are worthy of their great promise. In a landmark settlement, FEMA awarded New Orleans \$1.8 billion dollars for new school construction. The RSD will be spending \$25 million dollars a month for the next seven years. This alone will create over 1,700 new jobs. The master plan for these facilities will align with the City Master Plan to produce an overarching vision for place-based development. Schools will be the anchors of communities and there will be 13 school ground breakings in every part of the city over the next 5 months. In the coming years, we will rebuild, refurbish and remake the face of education in New Orleans public schools. If we expect the very best from our students, we need to provide them with the very best.

Our battle for the heart, soul and future of New Orleans is being waged on multiple fronts. But, our long term future economic success is not being decided in the boardrooms on Poydras, but in classrooms at Dr. Martin Luther King Charter. Without a strong school system, from pre-K to college, our dreams of a

better New Orleans, where every citizen has the opportunity to earn a living, will be lost as quickly as they were found.

We must aggressively invest in our future. And, even though budgets are tight, we will never be able to cut our way to excellence. Gouging funding for education is the single biggest mistake we can make. Since 2008, the state has sliced more than \$300 million in support for higher education and next year will only be worse. State universities stand to lose another \$290 million while funding for K-12 will be cut by \$147 million. We need to cut smart, but starving the public universities, colleges and schools that are training our young people for the jobs of tomorrow will only make us weak in the long run.

There is an inextricable link between better education, better jobs, a better economy and a brighter future and we need to strengthen, not break, every link in that chain.

The novel solutions we are embracing and the reforms being enacted for secondary public education need to be protected. This, above all else, will be the key to our redemption. We must all work together and ensure that the successes of the last five years are continued, while the shortcomings are addressed, to create an enduring structure that will empower all of the children in our city.

It is in fact true that the path to freedom and opportunity that used to pass by the Statue of Liberty now goes directly through the schoolhouse doors.

In the new, global economy, our students will need to compete with kids in every corner of the world. And, as the world flattens and becomes interconnected, the United States is slipping while other countries make enormous strides. New jobs will be driven by innovation, research, and entrepreneurship. While India and China are increasingly investing in knowledge-based capital, for the first time in history, American's younger generation is less educated than its parents.

As a nation, we rank 20th in high school completion rate and 16th in college completion rate among industrialized countries and Louisiana is at the bottom of the state rankings. By 2018, over half of the jobs in our state will require some form of higher education, yet 43% of students drop out of high school and only 14% graduate from college.

And, while we have made many improvements in New Orleans schools, we need to do more – we need to do so much more. Before Katrina, only 5% of African American students graduating from public schools in our city graduated from college. Only 5%. We need to flip these numbers upside down and inside out. We must get our young people ready to compete with their peers in Baton Rouge and Dubai. Houston and Beijing.

The change will not happen overnight. Nor will it be easy. It requires long-term investment in smart ideas. Ideas that encourage advances in math and science, art and engineering. We must have the very best teachers in each and every classroom, empowering our students with the skills they will need to compete in a global economy. We must have schools that are accountable, creative and autonomous. We must have principals that are driven by results and do whatever it takes for all of our students to succeed. But most importantly, we must have an open and honest conversation in the community, not about whom or what controls the schools, but about what will best support student success.

This is not about meeting the standard – this is about raising the bar.

Looking at the reforms we are putting in place and the problems we are solving, it is clear that New Orleans is the place where the country can learn to find herself again. She can be the model for turning tragedy to triumph, adversity into opportunity. Out of the shadows of Hurricanes Katrina and Rita and in the midst of the BP Oil Catastrophe and the Great Recession, New Orleans is not only standing – we are taking steps forward every day. Confident that we will either find a way or make one. We always have and we always will.

We are the ones creating a new government focused on results. We are creating a new economy driven by innovation and sustainability. A new economy energized by a talented workforce educated in excellent schools from pre-K through college. A place where outdated rules are broken, new ideas flourish, and all are uplifted by the force of their own hard work and determination.

New Orleans is not wasting time. We are ready to lead the way. We are acting. We are showing the country how to create opportunity in difficult times. Hope will not ring hollow here. Hope is hitting the streets in New Orleans.

But we can only do it together. As city government shrinks, the public and private sector will have to work together more closely to improve our city. As small business leaders, you are the backbone of our economy – creating jobs and opportunities for our people.

Now is the time to redouble our efforts. I'm calling on you to buy locally – so our goods are sold here and around the world with a big stamp on it that says, "Made in New Orleans." I'm calling on you to hire locally – because the people of New Orleans are the ones who will make New Orleans great. I'm calling on you to invest locally – so our dollars stay right here at home. And finally I'm calling on you to support local public private partnerships - because the investments you make in the NOLA Business Alliance, schools, NORD or our Summer Job programs are investments in the future.

Thank you and God Bless.