

**Mayor Crotty's 2008
State of the County Address
May 30, 2008**

Good afternoon and welcome to my annual State of the County Address – ***The Three "E's" of Leading by Example in Challenging Times - the Economy, the Environment and Ethics.***

First, let me express my appreciation to the staff here at the Doubletree for providing this great venue. Since the environment is a key component of my speech, I'd like to congratulate you for receiving the prestigious **Florida Green Lodging Designation** for your eco-friendly practices. I'd also like to acknowledge the Central Florida Hotel and Lodging Association for sponsoring this event for the 2nd year in a row. **It just goes to show that hospitality is still king here in Central Florida!**

Let me recognize the elected officials who are with us today beginning with our own Board of County Commissioners. I'm proud that our board members represent the kind of diversity that we celebrate here in Orange County - from age, gender, ethnicity, faith and party affiliation - all the way to views on important issues such as the economy, the environment and ethics. Our County Commission is truly a snapshot of Orange County. We're so diverse, we've even got a couple of grandmas and a mother-to-be!

Will Commissioners Teresa Jacobs, Fred Brummer, Mildred Fernandez, Linda Stewart, Bill Segal and Tiffany Moore-Russell please stand and be recognized. I'll let you guess who are the grandmas and who's our future mom.

Central Florida is a region of partnerships. Our Chambers of Commerce, the Convention & Visitor's Bureau and Economic Development Commission, all pull together. We also enjoy excellent partnerships with local governments. One of my closest working relationships is with the City of Orlando. We have teamed up for many important projects from the medical city to the downtown venues. Mayor Buddy Dyer is here with members of the Orlando City Council. Please stand and be recognized.

**** RECOGNIZE OTHER ELECTED OFFICIALS***

I am fortunate to work with some of the most talented staff in America: County Administrator Ajit Lalchandani, County Attorney Tom Drage, our Deputy County Administrators, Department Heads and all of the folks who deliver important services to our citizens - Thanks for all you do.

This is usually the part of the speech where I say, “the state of the County is strong.” However, given the new economic reality, I feel the need to choose my words more carefully this year. I’ll put it this way: **Thanks to a long history of conservative fiscal policy, Orange County remains strong despite the current wave of tax reform and the slumping real estate market.**

I believe our conservative fiscal policy, coupled with key decisions to stimulate our economy, will pay off during these hard times and help us recover more quickly. Some would have you believe that we have been wasteful with taxpayer dollars. I disagree. While there is always room for improvement, I think putting dollars toward public safety, the environment and economic diversification was the right thing to do.

As we face a slower economy, it helps to understand that local government depends on property taxes. With the downturn in the real estate market, along with legislative cutbacks and constitutional changes, the job just got tougher. But, the true test of leadership is leading by example in tough times.

One of these key investments was our partnership with Orlando to convince the Burnham Institute to build its east coast headquarters here. Along with a new UCF medical school, a new VA hospital and a Nemours Children’s Hospital, we now see a medical city coming out of the ground. With Florida Hospital and Orlando Health, we already have two outstanding medical providers in our region. They will continue to play a key role as we emerge as a world-class medical destination to rival our reputation as the #1 tourist destination in the world.

We also believe in helping our citizens who cannot afford healthcare. That’s why we have made such a huge investment in our Primary Care Access Network, known as PCAN. Eleven PCAN clinics now provide medical care and prescriptions for more than 100,000 people who would otherwise end up in our emergency rooms. Our PCAN program is a model for the rest of the nation, winning a National Hospital Association award for innovation. Recently, I announced a new partnership with Wal-Mart. Now PCAN clients can buy many generic prescriptions for only \$4 dollars at Wal-Mart pharmacies across the county. This new collaboration helps our neediest citizens without increasing County government’s costs.

With strong support from the hospitality industry, we raised our tourist development tax to beef up worldwide marketing and finance a new performing arts center, a new events center and renovated Citrus Bowl. This will give us

short-term economic stimulus by creating jobs, but it's also a way to boost downtown Orlando for years to come.

We made this investment downtown while building on our success at the Orange County Convention Center. Shortly after I became Mayor, we opened the doors to a major expansion of our convention center that made us the 2nd largest and the 2nd busiest in America hosting 24 of the top trade shows last year. The direct economic impact to Orange County is \$1.6 billion a year. If you compare that to the overall projected economic benefit of our medical city of about \$6 billion, you can see the importance of economic diversification.

As Mayor, I have always said that our #1 goal is to leave Orange County better than before. One of the initiatives I rolled out a couple years ago was Invest in Orange County – Our Children's Legacy. This was a bold attempt to address our infrastructure deficit and preserve our environmental treasures. That we could even dream so big was a direct result of the historic real estate boom.

Legacy earmarked \$250 million to improve Orange County roads, \$125 million to purchase environmentally sensitive land and \$125 million for pedestrian safety, recreational trails and commuter rail. Unfortunately, tax reform and the faltering economy forced us to put much of Legacy on hold. However, I hope to restore as much of this important initiative as possible when the economy improves...and it will.

Now let me just say a few words about commuter rail, a great example of community and regional cooperation. A funding partnership involving local, state and federal governments will change the way we think about transportation in Central Florida, not only in terms of a multimodal solution, but an improved environment as well. Commuter rail may be stalled, but it will happen.

As we approach budget season, the County Commission has some difficult decisions to make. Housing starts are way down and the inventory of existing homes is very high. Foreclosures are on the rise. Overall consumer confidence is shaken by rising gas and food prices. To complete our "perfect storm"... wave after wave of property tax proposals are washing ashore across the state. It's crystal clear the citizens of Florida crave property tax relief and I can't say I blame them. I get it. We fully complied with the tax reform passed by the legislature and rolled back our millage reducing our taxes by \$120 million. The passage of Amendment 1 will further reduce tax revenue in Orange County by another \$60 million or more.

I think it's instructive here to spend a minute explaining how budgeting works in Orange County. Only 38% of our \$3.4 billion budget comes from property taxes. Fifty percent of that goes to public safety, such as the Sheriff's Office, Corrections and Fire Rescue - budgets that have been increasing to keep pace with growth and the rising crime rate. So, the rest of our budget, for services such as public transportation, social programs and parks, is only about \$625 million. These are the services that have to bear the brunt of the \$180 million property tax cut. I can tell you, a pay cut of more than 20% would be hard to manage for any family.

Just like a family, we have to sort our wants from our needs. Our #1 responsibility is to ensure a safe community for our citizens and the millions of people who visit here every year. The biggest chunk of our discretionary budget every year goes to Public Safety. We've added 80 new deputies, 76 new corrections officers, and 48 new firefighters. Orange County is committed to providing the tools and the technology to fight crime on our streets and keep the peace in our neighborhoods.

Fortunately, there are a couple of economic indicators that give us some hope. Tourist Tax collections continue to be robust. From October until March they were up 6½% over the same period last year and construction of new, tourism related projects is very strong. More than \$1.1 billion in new construction is coming on our tax rolls from our convention district. I've listed some of these projects on the screens.

Did I mention that our visitor economy is king? This shows our investment in the convention district is starting to pay off...big time. Finally, we're getting convention hotels that will make our destination even more popular in the years ahead. We must work together to ensure that the proper infrastructure is in place, especially in the area of pedestrian safety and transportation to ensure that our guests have a 1st class experience from the moment they step off the plane until they return home.

Although we may be doing some significant belt-tightening, we're still planning to do some great things. By engaging in partnerships we will stretch the dollars we can afford to invest. My goals are especially ambitious when it comes to improving transportation. On top of my "to do" list is completing the long-awaited beltway around metro Orlando. The missing link is the Wekiva Parkway, a limited access highway that protects some of the most pristine environmental treasures in Florida. Once it connects to I-4, the total value of the beltway, in today's dollars, would be about \$14 billion. Think about that number for just a minute. Remember all the celebrating we did over the community venues that are worth just over \$1 billion? We're talking about investing \$1.8 billion on the

Wekiva Parkway alone to complete a regional transportation asset worth \$14 billion!

Now let me zoom in on just one of the partnerships I've been talking about. The Orlando Orange County Expressway Authority, where I serve as Chairman, the state D.O.T. and the Florida Turnpike Enterprise are developing a plan that's even more ambitious. "Now," as Paul Harvey likes to say, "comes the rest of the story." If the Expressway Authority builds the Wekiva Parkway, it frees up the DOT and the Turnpike Enterprise to focus on making major improvements to I-4. That's another reason why we need a deal on commuter rail. It's a critical piece of our transportation puzzle for the entire region. This total transportation package - the Wekiva Parkway, I-4 improvements and commuter rail is worth \$6 billion ... making this the largest capital improvement project in our region's history!

I frequently talk about the need to diversify our economy. Over the years, we have offered financial incentives to recruit high tech companies that create high value jobs for people who buy homes, pay taxes and contribute to the local economy. We must nurture the high tech companies that are already here while continuing to make ourselves attractive to new ventures.

Some Florida communities have big military bases that serve as economic engines: Patrick Air Force Base in Brevard County pumps about \$1.3 billion into the local economy. MacDill Air Force Base in Tampa is worth about \$3.5 billion to the Tampa Bay area. The military presence here in Orange County is not as high profile, but it's just as valuable. The Central Florida Research Park near UCF is home to a Joint Forces Command for Simulation and Training that includes all branches of the military. It's a huge chunk of our \$4 billion simulation and training industry with its 20,000 associated jobs. It is a much-coveted asset that we must protect.

Here's the challenge: The Pentagon requires us to significantly beef up security at the research park by October of 2009 to meet anti-terrorism "force protection" requirements. That's more than \$9.1 million worth of security upgrades including fencing, access control, and blast resistant measures. Losing the Joint Command would jeopardize a vital part of our high tech sector, so I want to thank Senator Dan Webster and Representative Dean Cannon for their leadership in securing state funding for this critical need. It's in the state budget awaiting the governor's signature.

Now, let me turn to the environment, which has three main components, climate change, water conservation and air quality. It wasn't too long ago that a "carbon footprint" was something a coal miner left behind. Now it's a measure of the greenhouse gasses we produce during every day activities. Amid the growing concern about global warming, reducing the size of our carbon footprint has become a top priority.

We started down that road three years ago by making our fleet more fuel-efficient and fuel diverse. We now have 80 flex fuel vehicles and several hybrids. We are opening a new E-85 ethanol blend fueling station for those vehicles. I set a goal of a reducing our consumption of petroleum fuel by 20% over the next five years. I am confident we will exceed that goal.

Last September, I hosted my first Orange to Green Summit to hear from experts and set targets for our County operations. Our goal is to reduce greenhouse gas emissions by 40% by 2020. If you factor growth into the equation, this amounts to a 61% reduction in greenhouse gases from our 2005 levels.

We have also established a strong partnership with the Orlando Utilities Commission to use methane gas produced by our landfill. This renewable energy project is one of the largest in the state and provides power to about 8,500 homes. We're also building the largest solar array in the southeast atop the Orange County Convention Center. This system will cut energy bills at the convention center and produce no greenhouse gas emissions. This solar power system is also protected from inflation. Why? – Because there's no fuel charge – ever!

I want to make Orange County - the geographical center of the Sunshine State - a showcase for green technology. Green industry is clean industry. On Wall Street, there's now a Clean-tech Index just like the S&P 500 and the NASDAQ. It's worth noting that the Clean-tech Index was up 20% over the past year while the S&P 500 and the NASDAQ were down. Since many of you are entrepreneurs, it should come as no surprise that a whole industry is forming around the green movement. We are rolling out the green carpet for Clean-tech businesses in Orange County. I call it our Green-to-Green (as in dollar signs) initiative.

In my view, the most precious resource we have to protect is water. Without water, there is no life. We are so blessed here in Florida to live above a huge underground bubble of clean, fresh water known as the Floridan Aquifer. You might say we are spoiled. Turn on the faucet and clean inexpensive drinking water flows freely. I think it's shocking that 50% of our consumption of this precious resource goes to irrigation.

I think we have to radically change our way of thinking. We can no longer take this resource of cheap, clean water for granted. Certainly, we need to explore alternative supplies and we are. But treating surface water is not cheap and there are significant political and environmental implications. Desalinization is even more cumbersome and expensive but we need to explore all three options.

Our 1st priority must be to conserve water at every opportunity. Historically, Orange County has one of the oldest, most comprehensive conservation programs in the state. Two weeks ago, our board adopted a comprehensive water conservation ordinance with teeth to go after those who waste water. We will enforce our restrictions and fine residents who break the rules. We also have a very aggressive conservation rate structure that financially penalizes excessive use. Since 2001, we have restricted and enforced irrigation to twice per week. Now we have set specific days for watering.

Since the early 1980's, Orange County has operated the largest reclaimed water program in Florida. We reuse 100% of the wastewater treated in Orange County for agricultural irrigation, industrial uses and creating wetlands. Compare that to an average reclaimed water use by other communities in our district of between 19% and 56%.

The third component of protecting the environment is the quality of the air we breathe. We need to depend less on cars and trucks that pollute our air and turn to multimodal means of transportation such as commuter rail.

Finally, we need an action plan to ensure that everyone realizes that our commitment to preserving the environment is real.

I will propose to the Board of County Commissioners a series of green standards to influence the way we grow into the future. If you want to build a new rooftop, you can take advantage of some new programs, but you'll also have to meet our standards.

- I believe there should be incentives for green development such as expedited permitting.
- We must encourage infill development and discourage urban sprawl to reduce vehicle trips.
- We will continue to promote multi-modal transit and fight for commuter rail.

- We should also beef up our tree ordinance to better protect the oxygen-producing canopy over Orange County.
- We should update our landscaping ordinance to encourage people to use more native, drought-tolerant plants.
- We should require water-saving plumbing in new buildings and encourage people to retrofit their toilets, faucets and showerheads with water saving devices.
- We need to continue and expand the efficient use of the water we have by recharging the aquifer and reusing treated wastewater for irrigation.
- We need to stick with structured water rates to discourage over consumption.

I grew up in Orange County. I am a product of Orange County public schools, Valencia Community College and UCF. I raised my family here and we worship here. This is our home. Although much has changed over the years, I believe we have maintained a reputation as a clean community. I think the vast majority of men and women in public office deserve the title "honorable." In my 8 years as Mayor, I have done my best to maintain openness and transparency in government. I don't claim to be perfect. However, I understand that I have as much a responsibility to lead by example on ethics as I do on the economy and the environment.

The Orange County Board of County Commissioners is currently considering the most comprehensive package of ethics reforms in the state. A year and a half ago, at my urging, the board created a Task Force on Ethics and Campaign Finance Reform. This group came up with several recommended reforms including:

- Enhanced ethics training.
- Designation of a local ethics officer.
- Due process for enforcement with penalties.
- Requiring a ban on most gifts to the Mayor and Commissioners.
- Full and frequent business and financial disclosure.
- Post employment restrictions on senior county staff and procurement personnel.

I support these reforms and others and I expect our Board of County Commissioners to enact an extensive ethics reform package on July 8th. The bottom line is: The people who elected us to office need to know their public

servants meet the highest ethical standards. I also believe other public agencies should follow our example.

Orange County has blossomed from a largely rural area to the complex urban government that provides comprehensive services to more than one million people. As we grew, Orange County evolved to meet the needs of our citizens.

The winds of change in our economy have forced us to be even more flexible...to bend like a palm tree in a storm. But we're also plenty tough. Who will ever forget the 3 consecutive hurricanes in 2004? Yes, that was hard, and our community was put to the test, but we pulled together with neighbor helping neighbor. We will weather this economic storm with the same resilient community spirit.

We have been blessed by many successes. The recent downturn in the economy is a challenge, but it gives us an opportunity to take a hard look at our operations and get back to basics.

- We must ensure our streets our safe and our natural resources are protected.
- We must celebrate tourism as the backbone of our economy.
- We must protect and grow the high tech businesses we have.
- We must lead by example in reducing the size of our carbon footprint while promoting conservation and clean-tech industry.
- We must ensure that any new development proposed in Orange County meets green standards as a condition of approval.

Finally, we need to make government more transparent and responsive to the people through comprehensive ethics reform. Not only do we want to leave our children with a better community than we inherited, we also want them to be proud of the way we conducted ourselves during our public service. Let us lead by example. If we do these things, Orange County's best days are in its future!

Thank you & God Bless You!