

**STATE OF THE CITY ADDRESS
CITY OF NEW ORLEANS**

**C.RAY NAGIN, MAYOR
WORLD WAR II MUSEUM, 7:00 P.M. on May 30, 2007**

Good evening, ladies and gentlemen, federal, state and local officials, honored guests and friends.

I'd like to especially recognize and thank my wife, the first lady, Seletha; my children – Jeremy, Jarin and Tianna; my parents and all my family for their love and support.

To the City Council, could you please stand? You are our key partners in this tremendous effort. Thank you for all of your work to make this city great.

I would like my Executive Staff to stand. Thank you for answering the call to public service and recovery.

To our first responders—the police force, firefighters, EMS and military personnel -- thank you for your service to our community and country.



I would also like to recognize the young people you see here today, the youth leadership council, they are engaged in our recovery and represent the leaders of our future.

To the wonderful people of this nation and our friends from countries all across the globe: your compassion and support inspire us. Keep us in your thoughts and prayers.

To the people of Greensburg, Kansas, recently devastated by a tornado: just hold on. You will make it through these difficult days.

Finally, to the citizens of New Orleans: your perseverance and strength in the face of insurmountable odds serve as a testimony to our nation that New Orleans is great and is on its way back.

Ladies and gentlemen, this is my first State of the City address since May 2005, pre-Katrina.

A lot has happened since then. Our world has changed dramatically: Hurricane Katrina, the levees broke, Hurricane Rita, a historic evacuation that scattered an entire American city all across this country, twelve presidential visits, promises broken and dreams deferred.

From Iowa to Paris, people came to New Orleans, not to party, but to build homes. Unprecedented bureaucracy, a misguided Road Home program, a state government flush with cash while citizens go broke trying to come home, and Disney-like cleaning in the French Quarter. Yes, these are indeed interesting times.

But tonight, I want to talk about One New Orleans and one future.

A story of determination, a story of strength, a story of love.

As I begin my address, let us reflect for a moment on our location, the D-Day: World War II Museum, which pays tribute to one of this country's greatest generations.



It is fitting on the heels of Memorial Day, in this great building, that we honor our veterans and current members of the armed forces who have served this country since its inception, like Mr. Oliver Thomas Sr., Rev. T.J. Smith Sr., Col. Terry Ebbert, and Lt. Col. Jerry Sneed.

During World War II, President Roosevelt declared: "No matter how long it may take us to overcome (the challenge of defeating the Germans), the American people in their righteous might will win through to absolute victory."

President Roosevelt knew that Americans would depend on their determination and strength to carry them through that challenge and on to victory.

And so it is in New Orleans.

Twenty one months ago, our citizens, long accustomed to riding out hurricanes that came our way, were devastated when the federal levees designed to protect us failed and allowed our city to flood, claiming lives and livelihoods that lay in its path.

You know the story. New Orleans was 80 percent flooded and totally evacuated.

Nearly 1,700 people died in the region. Thousands were left stranded on roof tops, attics, bridges, and in shelters of last resort.

An unprecedented number of homes and businesses were destroyed, and many assumed our city would live again only in the history books.

But we believed this city was worth saving. We weren't willing to give up the place we called home.

So we held on – our strength and determination carried us through those dark and difficult days.

So, where are we today? What is the state of the City of New Orleans?

My friends, the state of our city is one of strength and determination.

We have endured and survived more than many thought possible.

Our finances are stable and improving.

Many of our citizens have returned and more are planning to rebuild.

New Orleans, in many ways, is like the patient who lives and thrives despite a doctor's diagnosis of a disabling illness.

A member of my staff tells the story of his mother, who was diagnosed with heart failure at about the same time that our city flooded. The doctor recommended the family prepare for her death.

Some would call the doctor's advice bold leadership and making the tough decisions.

I call it hopelessness, giving up. But the family didn't believe the situation was hopeless.

They found other treatments and therapies. They stabilized her condition, she received a new organ.

And today, she is healthy and looking forward to a long, full life. Her condition is strong and she is determined.

New Orleans is like that patient today. Some thought that the floods had so damaged the heart and soul of our city that we would simply die or would be much smaller.

But, our citizens never gave up, despite our suffering.



We have stabilized, we are implementing plans for our future, and we are strong enough for the next phase of recovery-- the transformation to the new New Orleans.

This transformation was not easy.

If you recall, the mother of my staff member who was told to prepare for her death but another more visionary doctor helped prepare her for life.

What did she and her family have

to go through to get to full recovery? Were there many doubting family members?

Were there uncomfortable, experimental treatments? Did they have thoughts of hopelessness? Of giving up? Sure! But they chose life over death.

We are very much like this patient and this family. We have had doubting family members.

We have questioned whether we should fully recovery or cut off some critical limbs.

We have been uncomfortable and felt pain with some of the decisions that have been made for our full recovery.

We have also all dealt with the emotional turmoil of feeling helpless, wanting to give up, and longing for the New Orleans we knew before.

Let me take you back to right after Katrina and the flood waters receded. There was no play book, no manual, and no road map on what to do. But we had vision. We had faith.

We had determination. The goal was to bring our city back bigger, better, and stronger.

We also knew that we had to talk to the patient to get their thoughts and buy in on the treatment that was required. We basically rolled up our sleeves and talked to everyone about possible solutions.

To refresh your memories, 30 days after Katrina, we formed a commission to begin developing our rebuilding and recovery plans.

We held 173 community/ planning meetings in the city and across the country in an effort to reach our displaced citizens.

Those meetings were tough! We were talking new treatments; new ways of doing things, and many could not comprehend this because they were still in a state of shock and pain.

Simultaneously, we lobbied Congress; both sides of the aisles—for the money we needed to rebuild.

We also spent a lot of time in the White House and were part of the leadership that lobbied for and announced critical funding for 100-year flood protection.

In addition, back in February of 2006, I took the lead and pulled the metro Parish Presidents together to confect and present the “Failed Levees Homeowner Recovery Plan,” a streamlined alternative to the current Road Home program.

This plan called for quick disbursements of grants to homeowners by utilizing the banks and financial institutions in the area.

Finally, very early, I proposed a hard formula for awarding all federal disaster dollars based upon damaged buildings.



This would ensure the money got to the most heavily devastated areas.

These tough decisions have brought me more than my share of controversy.

Remember when I politely called on the federal government to get into gear and do what was necessary to rescue our people, Americans.

Everything that I have done and continue to do has been

with a total focus on a full recovery and what is best for all the people of this great city.

I chose life and a growing city.

Just as a patient must make adjustments to his lifestyle after a traumatic event or illness, so did we, New Orleans.

Let me talk briefly about some other things that just had to be done to put us in position for full recovery.

With the virtual destruction of our economy, we were forced to make some major adjustments, such as the elimination of roughly half of our city's workforce.

This meant that these key citizens who had lost all their possessions would now also lose their source of income.

And those city workers who remained would be doing the jobs of two or three people.

Next, we streamlined and reorganized city government from top to bottom.

We followed through with the treatments and the patient has responded favorably, and others have taken notice.

Moody's has recently returned the City of New Orleans bond status from "junk" to "stable".

This vote of confidence from Wall Street recognizes our prudent fiscal management and signals that the city is open for business and that, indeed, New Orleans is a good investment.

I want to thank the City Council, and particularly budget chair Cynthia Hedge-Morrell, for their partnership during the past 21 months.

I also must acknowledge Chief Financial Officer Reggie Zeno, and Chief Economist Jerome Lomba, for their tireless work to ensure that our city developed and implemented a sound fiscal plan and avoided bankruptcy.

New Orleans is also experiencing a financial rebirth few could have anticipated.

Our financial trends are nothing short of astounding and demonstrate the confidence of our residents, businesses and visitors.

For example, the retail market is hot! More pre-Katrina retail establishments are reopening and new ones are putting their stakes in the ground.

Our tourism industry is seeing positive signs of recovery. We witnessed record numbers of visitors for Mardi Gras and Jazz Fest.

Hotels and conventions are coming in at a steady pace. Essence Festival, Sugar Bowl and Bayou Classic have all returned.

We have the hardest-working team in the tourism and convention industry right here in our city and we applaud your efforts to get us back to being one of the world's most popular tourist destinations.

Sales tax collections are at approximately 90 percent of pre-Katrina levels.

We have issued more than 150,000 building permits totaling \$3.7 billion. Most are building on higher ground and these permits were issued via our state-of-the-art technology platform that allows for citizens and business to obtain them in the comfort of their homes or businesses.

I would like to recognize the leadership and dedication of the Safety and Permits department, which is led by Mike Centineo, for their imaginative work that is moving our city forward.

What does it mean that 150,000 building permits have been issued? It means recovery is about the people!

The truth is our residents are coming home.

Surveys by GCR & Associates and the nonprofit Knowledge Works estimate our population ranges from 54 to 62 percent of our pre-Katrina levels. That means 282,000 people are back from our pre-Katrina levels of 455,000. My initial goal was to get us to at least 75 percent of pre-Katrina population within two years.

We are close. The fall projections for new K-12 students give us confidence that we should get there before year end.

As you can see, New Orleanians are very determined.

They fight for insurance proceeds, use their savings and 401ks, they borrow money from the SBA and the city's Fast Track program.

They have applied for Road Home money and are waiting to hear back.

And waiting.

And waiting.

Arthur Stebcow, president of Latter & Blum Realty, has said that the Road Home program "is single-handedly freezing more people out of the marketplace than anything we could imagine." It is painfully obvious that this program is sick and in need of major surgery.

I know the weight of failed promises is wearing some down. I will tell you tonight that I too get weary sometimes. I feel frustration, pain, and despair.

I have done battle with my insurance company, fought with contractors, worked to help my family through this tragedy.

I have also had to work hard to heal from all that I saw right after the storm.

We all have endured much, overcome the odds and are still standing tall. Quite frankly, I am amazed at how determined and strong we are as a community.

My love for New Orleans grows deeper every day.

Several recent surveys captured that spirit and found that while residents realize the many challenges of rebuilding, they are very hopeful about the future.

We are not here in this place two days before hurricane season starts by accident.

A part of improving our quality of life is making the necessary preparation to preserve life.

Tomorrow night, I will address you again, along with Colonel Ebbert, and our Homeland Security team, to discuss details about our city's hurricane plan.

Now back to the recovering patient who has responded favorably to treatment. Our environment must be conducive to fully recover.

In New Orleans, a world class quality of life environment is key.

We are making good progress.

Let me quickly cover some key areas: sanitation, public works, healthcare, public safety, and education.



First, sanitation.

Automated trash collections.

Disney-like services.

Controversy. Power washed sidewalks. Lemony-fresh smelling

French Quarter.

But wait! Right after Katrina the patient was very dirty. Storm debris covered the city.

We had six times as much debris from the storm as the ruins from the World Trade Center.

No, I am not going to go there! Seriously, working in partnership with the U.S. Army Corps of Engineers, we have removed 99% of all storm debris!

Prior to Katrina and before I became Mayor, our sanitation department was under funded.

We were not doing what we were supposed to do to maintain our long term health.

It was time for a change. A new prescription.

In spite of some opposition, I stood firm and we swallowed the pill and what we are doing is working.

Everyone has noticed the change in our appearance.

We look healthier.

Downtown and the French Quarter are so clean that it has become a buzz among tourists.

Other neighborhoods throughout the city are cleaner with uniformed collection carts lining the streets in the mornings and power washed streets.

I would like to publicly thank Veronica White and her staff at the Sanitation Department for a job well done. But there is a looming challenge to our efforts to keep our city clean.

Illegal dumping is a growing concern for my administration. We will not tolerate this counterproductive behavior in our city.

The City Council passed and I signed into law a new ordinance that updated all of our enforcement codes and enhanced penalties and increased fines.

Public works.

Good roads and infrastructure are also critical to our recovery. They are the arteries that allow our patient's lifeblood to flow.

Let's be honest, after Katrina our streets are in worse shape than before.

We will evoke creative leadership and expend hundreds of millions of dollars to repair the effects to our streets, which crumbled under the weight of tons of floodwaters.

Shockingly, FEMA has de-obligated or rejected our request for these critical repairs.

We continue to fight for what is due to us according to federal law. Fortunately, the federal Department of Transportation is working cooperatively with us to secure money from a different pot to repair critical federal highways that run through our city and are utilized as hurricane evacuation routes.

But we are linking this initiative with our comprehensive city plan to restore our streets, roads, and bridges.

We have made a request to the state to provide similar funding for state roads within the city that also are used for hurricane evacuation purposes.

I am also very proud to tell you tonight that since our bond rating has been elevated to a stable status, we are now in the position to move forward with implementing the bond issue program that I pushed for and you approved back in 2004 for major and minor street repairs.

Other projects that were under construction right before Katrina hit are now complete, including Poydras Street, Carondelet Street and Camp Street.

Relatedly, we also broke ground earlier this year in Algiers and in Lakeview to begin other major roadwork repairs.

The orange cones that you see around the city are signs of progress and rebuilding!

Technology is also allowing us to extend the life of several major streets in the city.

A new technique called panel lifting literally allows us to lift sinking streets. In Algiers, we lifted 18 miles and some procedures were completed in just 15 minutes.

We spent only \$500,000, and if we reconstructed this 18 miles it would have cost around \$95 million. Amazing!

I commend the determination and innovation displayed by Director Robert Mendoza and the Public Works staff!

Potholes! A key part of our comprehensive streets recovery plan is to significantly reduce the number of potholes in the city.

Let's be honest again, potholes have been around since the horse and buggy.

We have deployed a pothole killer this year that is getting rave reviews.

Over 31,000 streets have been repaired this year alone. A second Pothole Killer arrived yesterday. These state of the art vehicles can each repair 50,000 potholes per year.

With hurricane season two days away, the Public Works Department's other critical mission is beneath the streets and cleaning our drain lines, which can help to reduce flooding during major rain events.

Today, we are averaging 7 pounds of debris for every foot of drain lines that we clean.

I appeal to all residents to help us by cleaning storm drains near your home to protect your property and our city.

Healthcare in our city is in crisis.

In New Orleans and the region, our patients are suffering from a lack of primary care and long wait lines in the emergency room.

Our mental health patients have been abandoned.

Patients who are self-medicating and in need of treatment have nowhere to turn.

I have called on the state to fulfill its responsibility to ensure our citizens receive this basic human right. I will not give up on this. I will not be silent.

People are dying.

Total deaths are up 47%.

Suicide prevention calls are nine times pre-Katrina levels.

In the meantime, Dr. Kevin Stephens, our Director of Health, EMS Director Dr. Juliette Saussy, and Federal Secretary of Health and Human Services Michael Leavitt continue to work with local healthcare professionals to provide relief to our citizens. Last week, \$100 million was awarded to Louisiana to support our primary health care clinics.

This will not resolve our healthcare crisis, but it is a good step in the right direction and will be a tremendous help.

We are also working with our regional partners to solidify the building of a new state of the art veteran's administration hospital in downtown New Orleans.

I would like to thank Donna Addkison, Chief Development Officer & her staff along with the Regional Planning Commission and participating parish presidents for their hard work and support in presenting a world class proposal to the VA evaluation team.

To be brutally frank, a new state-of-the-art teaching hospital will take five plus years to construct and open.

We need a solution now as too many of our citizens are suffering. I am asking all citizens to call and write the governor and state legislators to demand this problem be solved immediately.

Do this for our seniors, our children, and your family members!

Public safety.

A fully recovered city cannot happen unless it is a safe city.

As I stated in my 2005 State of the City address and my most recent city budget address, public safety is the most important challenge our city faces, and reducing violent crime in this city is my top priority!

Our police department is the front line in this effort.

Prior to Hurricane Katrina, the New Orleans Police Department was experiencing a turn-around.

Attrition was on the downward trend, we were increasing police pay and in May 2005, we finally peaked at 1,750 crime fighters.

Hurricane Katrina and the flood waters that followed decimated an already fragile criminal justice system. The entire criminal justice system!

But we are working to overcome this challenge.

We worked comprehensively and on many different fronts simultaneously.



First, I assembled a special task force, which was headed by former Louisiana Attorney General Richard Ieyoub and represented by every level of the criminal justice system, including police, judges and the district attorney.

This task force worked to put the system back together piece by piece, recovered and restored critical evidence, helped to improve communications and teamwork throughout the system, and assisted in prioritizing the restoration of critical criminal justice buildings.

I also want to thank Councilman James Carter and the City Council for organizing a comprehensive crime summit.

Their charge was to explore holistic crime-fighting and prevention best practices from across the country. We recently budgeted several of the summit's key recommendations.

These actions, together with others that we have taken, are working to first, bring our police department back to full capacity.

After losing 300 police officers after Hurricane Katrina, recruitment is critical. So far this year, the New Orleans Police Department has graduated one cadet class.

A second class is nearing graduation and the department is on track to graduate a total of five or six more classes this year, adding a total of 150 new crime fighters.

At this time, I would like to recognize Chief Warren Riley for his leadership and commitment.

I would also like for our current cadets to stand. We are proud of you, and we thank you for your service and commitment.



We are also focused on retention. Police pay and related benefits help us in this regard.

Beginning in June, a starting officer's pay will be \$35,000 and within one year it goes to \$43,000. This helps with morale and makes recruitment and retention easier.

As we replenish our own ranks, we continue to leverage federal and state resources to maximize our crime fighting efforts.

We appreciate the presence of the National Guard and State Police over the past months.

The federal government resources have also been invaluable in our current progress.

Special thanks to the U.S. Attorney, the FBI, DEA, ATF and the U.S. Marshals.

We are encouraged by our results this far.

According to the U.S. Attorney, since the end of January, of the 68 subjects who have been arrested by NOPD and the feds, 66 are in jail and 50 have been indicted.

Our long beleaguered state system is showing improvement.

The murder clearance rates are improving, and 701 releases have been dramatically reduced. As a result, crime stats are trending in a positive direction comparing first quarter of 2007 to the last quarter of 2006.

But we are not satisfied that the mission has been accomplished.

We continue to employ technology as another key crime fighting tool.

We promised 200 crime cameras throughout the city by year end.

To date, we have 87 crime cameras installed in strategic parts of our city.

We fully expect to reach our goal by year end.

In addition, we are currently installing mobile cameras inside patrol cars.

These cameras serve as extra eyes and as witnesses that can not be intimidated.

And starting next month, helicopters from the Louisiana Air National Guard Counter Drug Unit will patrol throughout the city. This additional support is scheduled to remain in place through year end.

We will continue to work hard in this manner, but a critical crime fighting tool is a quality public education system.

Our children must see their education as the tool that will allow them to compete in the new knowledge based economy.

State Superintendent of Education Paul Pastorek is charged with driving this transformation.

I was in Philadelphia recently and I had an opportunity to tour the School of the Future and it is a high-tech miracle. There are no text books. Instead, each student has a laptop.

Classrooms are wired for sound and video. And the gymnasium is nothing like you or I remember.

The school is populated with children from the area neighborhoods. Just imagine how a school like this would help to radically change education in New Orleans?

This is the type of transformative thinking and innovation that we need.

As Paul Pastorek moves to bring about that kind of change, I offer the support of the City of New Orleans to help you make this a reality for our children.

Along with strong schools, strong neighborhoods, shopping areas and businesses are critical to our recovery. They provide the nourishment that will make and keep our patient strong.

I would like to recognize Dr. Edward Blakely, who is Executive Director of our Office of Recovery Management.

Dr. Blakely came to us with a wealth of experience, and we are excited to have him as part of our team.

In April, we announced a recovery action plan that focuses public and private resources on the redevelopment of 17 target zones throughout the city.

These zones reinforce the town center, a traditional form of urban life characteristic of New Orleans and its neighborhoods. Retail, housing, and public facilities will be located within close proximity.

The action plan builds on the work of neighborhood groups and professional planners who created the Unified New Orleans Plan -- the peoples plan.

This target zone initiative is projected to cost \$1.1 billion.



With our enhanced bond rating, I am happy to say tonight that the \$260 million dollar bond issue is moving forward.

We have also gotten commitments from the LRA that the \$117 million that was promised is available.

We lobbied and successfully secured the 10% match waiver.

We expect the governor to honor her commitment to provide these funds to local governments for critical

recovery efforts.

Good, affordable housing is also an essential part of our recovery.

Our adjudicated housing process, good neighbor plan, and other programs designed to protect property rights while at the same time revitalizing neighborhoods, is a monumental task.

We have held over two thousand administrative hearings and more than 4,600 properties have been remediated and abated.

Many challenges still lie ahead of us to make affordable housing opportunities a reality for our residents.

I stand by my pledge to ensure that every citizen who wants to return home can return home.

I would like to take a moment to acknowledge just a few of the entities that have been important partners in our work so far.

The New Orleans Redevelopment Authority is a critical ally as we work to rebuild our city. We appreciate their focus and commitment to this work.

I also would like to thank the Ford, Rockefeller and Bill and Melinda Gates Foundations for their continued financial support for our efforts.

Bill Gates, I look forward to our meeting in the coming weeks. I am sure we will have a productive outcome.

It is innovative public/private partnerships like these that we will continue to cultivate to accelerate our recovery.

Now, I would like to speak frankly with you about the commitment of our federal and state partners.

You know that I will never try to paint an unrealistic picture. You need to know the facts.

Fact: Most of the \$100 billion that has been allocated for the Gulf Coast recovery has not reached local municipalities like New Orleans.

President Bush promised at Jackson Square to do whatever it takes to heal New Orleans. Because the funding has not reached the affected areas and the people, that promise is unfulfilled.

I would like to thank the members of our Congressional delegation, the Congressional Black Caucus, and particularly Senator Mary Landrieu, Congressman William Jefferson, and Congressman Charlie Melancon, for their support and leadership in areas from the GO Zone Act to providing funding to relieve local governments of the burdensome and unprecedented 10% match requirement, to restoring the presidential discretion to forgive Community Disaster Loans, which has been done in other large scale disasters.

We now call on the President to use his authority and forgive repayment of these loans.

Gov. Blanco promised not to abandon New Orleans.

The presence of the Louisiana National Guard and State Police in our city has been invaluable. And we thank her for her support. But I can not allow this moment to pass without saying that I am extremely disappointed that in this time of a record state surplus, the devastated areas of South Louisiana have not been prioritized.

We are one Louisiana and this lack of focus and sensitivity is disheartening.

The reality is that this surplus is largely the result of rebuilding that is occurring in the severely impacted parishes.

People are rebuilding with their retirement savings when they should be receiving a hand up from the very governments that they have paid taxes to year after year after year.

The state must invest this money in its people and repairing our infrastructure.

Let us not squander this opportunity.

Use the \$3 billion surplus to ensure a strong future for our state.

As New Orleans recovers, so does Louisiana.

This investment in our people and infrastructure is the medication that will help to cure us.

I'm calling for the state to help us in another way: to use its power to streamline the reimbursement process for making repairs of public facilities like police headquarters and fire stations. The law allows you to advance to local municipalities 75 percent of all federally obligated dollars.

This would get us past the stalemate of needing to first expend money before being reimbursed by the state.

We are not standing here with our hand out.

Over the past 21 months, we have worked in cooperation with the City Council and borrowed more than \$33 million from other capital funds to jumpstart critical recovery projects.

I want to especially acknowledge Cynthia Sylvain-Lear, Deputy Chief



Administrative Officer, who has been unwavering in her dedication and has truly performed miracles.

In closing, as I stated earlier we as a city are determined to have a full recovery.

We have the vision. We have the plan. We made the tough decisions to position us for a full recovery. We have chosen life over death.

We will rebuild *One New Orleans*, One Louisiana.

Tonight we stand on the shoulders of the greatest generation that we honor in this building, and remind America of its creed as one nation under God.

Indivisible, with liberty and justice for all.

Thank you for being here. Good night and God bless.

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