

## **New Traditions Biennial Conference - Berlin**

March 19, 2000

Remarks by Denver Mayor Wellington E. Webb

It is a pleasure and an honor to be with you today at this historic occasion. Thank you, Volkmar Schultz, for your kind introduction and for the superb job you've done with the German-American Parliamentary Group and with this Conference. I also want to thank Ambassador Kornblum and the entire U.S. embassy for their graciousness and assistance and for representing our nation so well here in Germany. And I want to acknowledge and thank the honorable mayor of Berlin, Eberhard Diepgen, who is an outstanding public leader. Mayor Diepgen and I both came to office in 1991, and we have much to share and to talk about.

I am very impressed by the emphasis that the New Traditions Conference has placed on cities. Considering the distinguished national and international leaders that you've invited to this podium at your two previous conferences, your gracious invitation to me, as a mayor, sends a compelling and important message about our cities and metropolitan regions.

It is a message that reinforces my strong belief that the 21st century will be a "century of cities".

In one sense, this reflects a renewed faith, a rediscovery of the vitality and richness that has long characterized our great urban centers.

This is a faith that seemed lost during a 3-decade period, beginning in the early 1960s. That was a time that saw many of our great cities struggle with soaring crime rates, neglected infrastructure, poor financial management, and profound social unrest; while other cities languished under the heavy hand of economic and political oppression.

But, thankfully, it is a faith that has been restored. As one American author (Fred Siegel) has written, "lining city streets are vestiges of a world that worked. As we look for the future, we may be increasingly surprised to see it gazing back at us from an unexpected corner of the past."

We are facing a new era, owing, in large measure, to a remarkable confluence of events; as the forces of commerce, culture, technology, and political reconciliation create unprecedented opportunity for all of our citizens.

And, our cities are both the heart and soul of this historic and global transformation.

There is a vitality and new confidence in our cities that is reflected in the bricks and mortar of exciting new projects and in stories about improved governance, strong public/private partnerships, economic growth and declining crime.

But it is also reflected in something less tangible but no less important. It is a sentiment well-stated by one visitor to Berlin at the early part of the last century, who wrote of "breathing in the air [of the city] with deep breath" and of an "indescribable dynamic, the love for work, the enterprise, the readiness to take hard blows - and go on living".

Cities are the repositories of our civilization and the catalysts for our future. They are what the great urban historian Peter Hall has described as the "crucibles of creativity" that "command and control the New Economy, as well as the service agencies that minister to them... that continue to attract the talented and ambitious...Places that ignite the sacred flame of human intelligence and the human imagination".

In modern times, federal jurisdictions have constituted the principal intersection between different nations and peoples. But the New Economy and the new technology have changed that dramatically. In the increasingly diverse and decentralized economic and cultural ties across national borders, our cities and regions play a vital role.

And our regional economies have emerged as the engines that drive our national economies. In the United States, our metro economies accounted in 1998 for 84% of national gross domestic product and 84% of national employment. Two of the fastest growing segments of the U.S. economy, high-tech and business services, are almost entirely concentrated within metro areas. From 1992 to 1998, most of the economic gains made in the United States were generated within cities and counties in the metro areas.

I suspect that Germany's regional economies are equally vital to your national economy.

In the United States, both major political parties are coming to recognize the growing importance of cities and metropolitan regions and the federal government is slowly ceding more authority on issues such as health care, transportation, economic development, and welfare to state and local governments. Sometimes, it is done reluctantly, and on a small scale, but it is a trend that has enormous popular appeal in our country.

And, as you know, many cities and metropolitan regions such as Denver have developed our own highly successful strategies for promoting international trade.

Metro Denver's exports increased to \$1.8 billion U.S. dollars in 1998, a 94 percent increase over 1993. Our merchandise exports to Germany have increased more than 230 percent during that time. We're proud of our strong international economic and cultural relationships with metropolitan regions in your nation.

And our regional economies have interesting similarities. In Denver and Berlin, for example, both regions are experiencing significant diversification of our economies; a rapid growth in industries such as environmental technology and media, information, and communication; and large-scale public transit projects.

We have much to learn from observing your urban accomplishments.

And many of you have expressed interest in learning about our strategies for success in the City and County of Denver. I'm honored that you believe our experience has some instructive value for you.

### The Denver Story

Let me discuss briefly what I call "the Denver story".

Denver is both a City and County government. We provide traditional municipal services such as police and public works and economic development, and we are responsible for county functions such as welfare services. We also own and operate the region's major airport, Denver International.

We have a strong mayor form of Government, with 13 council persons, of whom 11 are elected from districts and two on an-large basis.

Our population is approximately 23% Hispanic, 12% black, and 61% white.

Denver was founded in 1858. We are often referred to as the "Mile High City", because one of the steps at our State Capitol building is exactly 5,280 feet above sea level.

When I became mayor in 1991, we faced some very serious challenges.

- Denver's crime rate was rising.
- We had 30% vacancy rates in our office buildings, and our downtown was stagnant.
- Residents had lost confidence in our public school system.
- Folks were fleeing to the suburbs. Our population had steadily dropped to its lowest number since 1955.
- Our economy, which was overly dependent on the oil and gas industry, was subject to drastic ups and downs.

Ten years later, the story is completely different.

- Our office vacancy rates are below 7%.
- Denver's unemployment rate is at a record low, 3.1 percent
- We have a diversified economy

- Violent crime has been cut by more 44 percent.
- We're converting a former U.S. airforce base, Lowry, and a former airport, Stapleton, into communities of homes, businesses, and parks. And we have numerous smaller-scale projects that are revitalizing and transforming abandoned sites for residential and business use.
- Our arts community is thriving.
- And our new airport, Denver International, which just celebrated its fifth anniversary, is a tremendous success and has achieved some of the nation's best performance and on-time arrival standards. Denver is now the sixth-busiest airport in the United States and the 10th busiest in the world. (38 million travelers passed through DIA in 1999; 1,371 flights daily.)

The outmigration of people and jobs has stopped, and even been reversed with tens of thousands of people moving back into the city. Now our suburban neighbors provide the biggest source of new residents for our city. Many of them have grown tired of the traffic jams, the cookie-cutter shopping malls, and the rows and rows of suburban housing, and they are attracted to the interaction and diversity of city life.

And while this in-migration was fueled, originally, by "empty nesters", parents with grown children who moved to our downtown area, it has expanded to include families.

How did we achieve this turnaround? We focused on what I have called the Foundation and Four Cornerstones of any great American city.

The foundation is to put the fiscal house in order. We try to operate city government and to deliver city services as efficiently and cost-effectively as possible, to maximize every taxpayer dollar.

Let me cite just two examples -

We transformed our struggling public hospital, which was reeling under a \$39 million debt, into an independent health authority with a positive annual surplus. It is now a model public health system with a top trauma team, and an integrated network of family health and school based health centers.

Also, we changed our concession program at the airport. We restructured our competitive selection process for concessionaires to expand the pool of companies that could compete for concession contracts. This allowed smaller, more innovative, and customer-oriented companies to compete for contracts that traditionally had been inaccessible to them. By making these improvements to our program, we not only doubled our revenues, we also increased the percentage of local participation from 5% to 28% and increased the percentage of participation by women and minorities to 49%, the highest in the country.

Upon this foundation of fiscal reform, we've emphasized four cornerstones.

1. The first is Public Safety.

It's my view that no city can succeed if its residents feel unsafe. It is the first and most important obligation of any city to provide for the safety of its citizens.

We were able to achieve drastic reductions in crime by enacting strong local gun legislation, by creating our Safe City program that gets kids off the streets and into meaningful programs and employment, and by establishing curfews to keep our young people and our neighborhoods safe from violence.

We increased the authorized strength of the police department and sheriff's office, provided the computers and tactical weapons and helicopter for our officers to be more effective, established police impact teams in every district, and obtained voter approval for the reconstruction of three district police stations, and strengthened our Nuisance Abatement efforts.

2. Our second cornerstone is Kids and Schools.

In Denver, the school district is independent of city government. However, our futures are clearly interconnected. If our residents cannot obtain a decent education for their children in our city, they will move.

Over the last five years, we have provided more than \$30 million to fund police officers in schools, early childhood education programs, summer youth employment, and after school career clubs. We also took over and re-energized a struggling Head Start Program which provides valuable early education for low-income pre-school children.

And we've begun what we call our Best Babies Initiative, which is focusing on 250 families in neighborhoods with high rates of poverty and low birth weights.

Under this program, nurses provide home visits to help parents with pre-natal care, maternal and childcare, and parenting and family support through the first three years of the child's life.

3. Our third cornerstone is Parks and Open Space

One of the legacies I am most proud of is that, during my Administration, we are adding more parkland to our city than during any previous period in our history. We are reclaiming or constructing thousands of new acres of parkland and open space.

We've strengthened the ties between the east and western halves of our city with our project to restore the centerpiece waterway in our city.

What once was a dumping ground for old mattresses, automobiles and other debris is being transformed into a crown jewel parks and recreation system encompassing a 10 1/2 mile stretch of land along the banks of our South Platte River.

4. Our fourth priority is economic development and opportunity.

#### Downtown Revitalization

Much of the momentum for our economic turnaround can be traced to our strategy for downtown.

One of the first things I did when I was assumed office in 1991 was to convene a downtown summit. My top priority was housing.

Up to that point, the emphasis downtown had not been on housing, it had been on retail. But, as many of you know, if you establish a residential population, the retail will follow. Out of the Summit, came several initiatives:

We created a downtown housing office to proactively market downtown's inventory of vacant buildings to housing developers and to provide developers and investors with accurate information on properties and market conditions.

We made sweeping changes in downtown zoning to encourage housing and, transit oriented development and to protect historic buildings. The land use regulations in place at the time actually inhibited housing. We used higher density as an incentive for housing projects, and created design standards and review. As a result of these changes, we were able to save a critical mass of our older buildings downtown. They may not have been functional for office space, but they were functional for housing.

We also eliminated parking as a "use by right", which further strengthened our effort to preserve historic buildings and stimulate residential development. We know that once a downtown is more than 1/3rd parking lots, it loses its character and sense of place.

We provided housing financing on unconventional projects. As these projects achieved success, they were supported by conventional lenders.

We directed all of our private activity bond allocations toward downtown housing projects for at least 3 years.

We created a 1 million-dollar revolving loan fund for housing, which we have increased substantially since then.

In 1995, I convened another Summit - to take our success one step further. Our lower downtown was booming, and our midtown was under renovation. The time had come to expand our focus to the inner ring neighborhoods right around downtown. These areas were not benefiting from the economic resurgence. But they offered lower property and building costs, and a strong downtown as an anchor.

We also continued several other important elements of Denver's long-term strategy, which include:

- Placing our sports arenas and major cultural facilities downtown; and
- Maintaining downtown as the hub of the regional transportation system, including the first phase of the light rail system

In Denver, our focus is on development of a transit system not only to enhance the mobility of our residents but also to shape land use and support economic development. To that end, we have initiated a station development program which has brought together city agencies, the Regional Transportation District, the Colorado Department of Transportation, and the private sector. The goals are to revitalize those areas of the central city served by rail and to enhance ridership of the system. In this way, we can address transportation, housing, jobs, and containment of urban sprawl.

### Stapleton

Our largest, single effort to contain sprawl and to keep our city economically vibrant is the Stapleton project, which I briefly mentioned. This is our "city within a city". At 7.5 square miles, it is the largest infill project in the United States.

Stapleton is only fifteen minutes from downtown Denver. As an airport, it was a barrier between neighborhoods.

Our vision for the redevelopment of Stapleton is far different from a typical American suburban development. Stapleton will focus on the pedestrian by creating walkable neighborhoods. Opportunities to walk to public transit, walk to shopping, walk to recreation and walk to work are important components of our vision.

A wide range of housing in all types and prices will be offered. A community focus will be provided in the form of a town square.

Full development will involve about 2,935 acres.

12,000 homes will be built. 12 to 15 million square feet of commercial space will become available.

At least 100 acres of corporate campus development will be added.

About 1,100 acres of new parks will be established at Stapleton as well.

Stapleton redevelopment will be a work in progress for the next 25 to 30 years. We negotiated a deal in which the developer will take all of the financial risk for new regional and in-tract infrastructure. The developer will receive reimbursement for infrastructure from tax increment financing.

We chose a single developer, Forest City Enterprises of Cleveland, Ohio, to ensure that all parcels will be fully developed, not just the perimeter parcels. In addition, our agreement assures that our development plan standards will be implemented.

### Opportunity for All

Now, let me speak to the issue of opportunity.

Even though the nineties have brought about tremendous prosperity for many, a significant number of our citizens are not sharing in this record growth. More than one out of seven of Denver's residents lives below the poverty line. We don't have a distressed city; but we do have several neighborhoods that are distressed.

As a result, we launched a Focus Neighborhood Program this year targeting the 16 neighborhoods where poverty is most significant. We are focusing all agency and departmental attention to these neighborhoods in a coordinated effort. This year, an interagency team of City employees will work with the residents of five of our most economically disadvantaged neighborhoods.

We've tried to move away from the old mindset that views the world through a multitude of often overlapping and bureaucratic federal and state and local programs all of which are separately funded and often fragmented. Instead, we are attempting to consolidate these many different resources on a neighborhood-by-neighborhood basis and to partner far more effectively with existing private initiatives. We're emphasizing places rather than programs.

To better stabilize and improve neighborhoods, we will work to identify and remedy barriers to private development.

We will provide basic physical facilities and to enhance the neighborhood's ability to sustain themselves.

We will expand efforts to provide housing options in the neighborhoods by preserving, upgrading, and increasing Denver's housing stock.

We will seek to better provide appropriate access to human services, especially early childhood development, adult education, and job training and placement.

And we will seek to strengthen partnerships with Denver Public Schools and health institutions within neighborhoods.

### Conclusion

It's my view that the successes Denver has enjoyed in recent years are attributable in large part to our efforts of inclusion, cooperation and vision. We have a strong commitment to reforming city services and running our city like a private business but with a public mission.

I believe these are the characteristics of any successful city.

Like cities throughout the globe, we continue to face challenges, with poverty concentrated in our central urban communities and the constant currents of jobs and people moving out into the suburbs.

But I believe that our great cities will continue to prosper, particularly in this century, as custodians of the past and as the engines for our future. That they will serve and enrich our nations as invigorating and appealing alternatives to isolation and tedium and as places where human contact can flourish and the human spirit can soar.

Thank you.