

MAYOR JIM DONCHESS

STATE OF THE CITY 2019

Good evening President Wilshire, Vice President O'Brien, members of the Board of Aldermen, School Board, Fire Commission, BPW, members of our legislative delegation, School Superintendent Mosley, Police Chief Lavoie, Fire Chief Rhodes, city division directors and staff and community members.

I want to thank my wife Vicki, who is here with me tonight, and our daughter Caroline, son-in-law David, and grandson Ajax for all the love and support you give me.

And to our 2,800 city employees – Thank you for all the work you do every day for the people of Nashua.

Thanks to all Nashuans for giving me the opportunity and privilege of serving our city. I love to listen and to learn from you – at the dozens of town halls we have held over the last three years, at the monthly Coffees with the Mayor, in City Hall and on Main Street, at cafes and the Farmers Market, and when I visit people at their homes with a listening ear to seek out their ideas. Thank you for sharing your thoughts and dreams.

I served two terms as Mayor some years ago. We accomplished a lot and I loved every day of it.

A few years ago, when I thought about getting involved again, it was the love of our city which motivated me to seek a return to city government. Serving as Mayor the second time around, I appreciate every chance I get to work with so many Nashuans on behalf of our city.

### **We Have Accomplished Much by Working Together**

For the second year in a row, Money Magazine has chosen Nashua as the best place to live in New Hampshire. And rightly so.

The state of the city is strong, and we are getting stronger, more vital and more dynamic. More jobs and opportunity, full-day kindergarten for all Nashua children, a huge leap forward in street paving, an expanding tax base, a newly invigorated downtown with 500 new housing units, a new Arlington Street Community Center, new life at the historic Central Fire Station, a coveted Governor's Creative Community Award and a dynamic arts scene, a nationally recognized Safe Stations program and two Triple A bond ratings.

These are some of the things we have accomplished by working together.

### **Fiscal Restraint**

We have accomplished these things while also using fiscal restraint. We have passed three tight budgets in a row. Our current FY 19 budget is up only 1.6 percent from last year, less than the rate of inflation.

## **Nashua's Unique Personality**

Many of the improvements I will address tonight – new downtown housing, a performing arts center, excellent schools, the Pride Parade, commuter rail and our inclusive character are directed at building Nashua's regional and even national reputation - our city's unique personality.

There is a strong demographic trend – young people are moving to cities, and Boston is too expensive or too large for many. We must recognize that Nashua is in competition with Lowell, Providence, Worcester and Manchester. The regional and national reputation that we build is critical in attracting creative and energetic young people who wish to join in Nashua's journey.

## **Opportunity for All**

Nashua has grown thousands of jobs over the past few years and our unemployment rate is at a record low.

But if Nashua is going to tap the energy of our people to grow even stronger, there are doors of opportunity which we still must open – opportunity for those who have not shared in the economic growth of our city. This is how we must lead.

This year the city will use CDBG funds and partner with Entrepreneurship for All to jump-start the creation of new businesses and new jobs in Nashua. EforAll has already succeeded in other cities such Lowell, Lawrence, New Bedford and Fall River. EforAll will train new entrepreneurs,

mostly low and moderate income self-starters, and will coach them in the skills they need to succeed in starting new businesses and in realizing their dreams. New small home-grown businesses in the Tree Streets, in French Hill, in Crown Hill will help ensure that all Nashuans can work harder, reach further and provide a better life for themselves and their families.

Thank you to Krishna Mangipudi for bringing EforAll to Nashua.

### **The Arlington Street Our Crown Hill Community Center**

In Crown Hill our new Arlington Street Community Center, under the leadership of newly appointed director Megan Caron, is creating opportunity for kids and families. The Skill Builder program created by volunteer teachers is offering tutoring for elementary students who need additional help to ensure that they can read and do math at grade level. We are already seeing results.

Also at the Community Center we recently launched the Mayor's Winter Reading Challenge with Jen McCormack and the Nashua Public Library. Already 191 kids have signed up and are doing the extra reading, which will help them deepen their language and academic skills.

### **Paving Nashua's Streets**

For some time, I have been hearing from Nashuans that our streets are not in good shape. And they're right. Nashua has neglected street paving for decades.

So, in response we adopted a Paving Plan of Action. In 2018 we put that plan into high gear. We paved 25 miles of streets – five times what we were doing just a few years ago.

Amherst and Concord Streets were among the major roadways we paved in 2018. This year we will pave Kinsley and Broad Streets and many more, so that we will pave at least 30 miles of streets in 2019.

Many people have asked me “What about Kinsley Street?” In order to spend the public’s money effectively, before we start paving any street we need to make sure that all utility work is done, so no utility comes in and digs up a street right after it is paved. For Kinsley Street, this means replacement of gas pipelines by Liberty Utilities and also the replacement of a 125-year-old sewer line by the city. Recently there have been gas leaks, so the utility work is ongoing. Nevertheless, Kinsley Street will be paved this year.

### **New Housing in Our Downtown**

Bringing new residents to downtown is critical to our plan to create economic expansion and a bigger tax base to the heart of Nashua. It was in the mills and the neighborhoods around the Nashua River that our city was born.

When I ran for Mayor, I promised that during my first term we would add 500 new housing units to downtown, bringing nearly 1,000 new downtown residents. We have already met these

ambitious goals with Lofts 34 on Franklin Street, Riverfront Landing, the new workforce affordable housing on East Hollis and a few micro-units.

### **A New Rail Yard District**

I am announcing tonight that our creative Economic Development and Planning staffs and I are envisioning a new residential neighborhood in our downtown, what I am calling Nashua's Rail Yard District. The railroad is big part of Nashua's history, once the lifeline to the markets to the south. And don't forget that the railroad is depicted in the Nashua city seal. Our new Rail Yard District is near Temple and East Hollis Streets east of Main Street, where in former times a train station and rail yard were central to economic life in Nashua.

We are now with working with a private sector developer to bring at least 150 units of new housing, and hundreds of new downtown residents, to the Rail Yard District within 2 years. The new neighborhood we imagine will be anchored by new apartments on the former Corriveau Routhier site and potentially in the Henry Hanger building.

The rumble of the railroad and the whistle of the steam engine have not been heard for many decades, but in the years to come we will be seeing the lighted windows of living rooms and the hurrying feet of new downtowners in Nashua's Rail Yard District.

### **Bringing a Performing Arts Center to Main Street**

A new downtown performing arts center will also bring new economic vitality to Nashua. It will enhance Nashua's quality of life and a lot more.

For decades, Nashuans and the Nashua business community have been talking about the importance to our business climate of a downtown performing arts center.

Because of the work of many people like Marilou Blaisdell and Rich Lannan, and a vote of the people supporting the performing arts center, the city bought the Alec's building and has now selected a creative design team led by ICON Architecture. A group of private citizens led by Deborah Novotny is raising funds for an endowment. The city is applying for an allocation of tax credits, which could bring in more than \$4 million.

A performing arts center at West Pearl and Main Streets will bring 70,000 people per year to Main Street and help grow downtown businesses. It will enable us expand the downtown tax base and increase long-term revenues, which we can use to support services for all of our neighborhoods.

The performing arts center is one of the things we are doing, large and small, to help us retain and attract the younger generation.

I am optimistic that by the end of 2020 we will have the downtown performing arts center up and running.

### **Nashua's Craft Breweries**

An interesting development over the past year: Nashua now has six craft breweries – Martha's, Millyard, Spyglass, White Birch, Odd Fellows and Liquid Therapy. As I have visited them, I have met a number of people who have come from outside Nashua to check out the offerings. Breweries are another way to get people interested in our city.

### **The Challenge of the State-Ordered Revaluation**

This past fall we completed a citywide revaluation. State law and the state constitution both mandate that every New Hampshire city and town do a revaluation every five years. Our last reval was in 2013.

A revaluation means that all properties need to be brought to 100 percent of fair market value. In Nashua the value of homes has risen a lot in the last 5 years. Of course, this means that Nashuans have more wealth in the form of equity in their houses. It also means that the revaluation raised peoples' assessments, on average about 25 percent.

We hired KRT an outside expert assessing firm who had worked in Worcester and elsewhere to do the revaluation.

For homeowners, the range of results was wide with values and new assessments driven by the housing market. The value of some homes stayed the same or went up only 10 or 15 percent. Others went up 30 or 40 percent. For those homeowners whose values went up the most, the revaluation meant a higher tax bill. Some others saw their tax bills stay the same or decline.



The total value of Nashua properties climbed from about \$8.3 to about \$10.4 billion. As a result, we dropped the tax rate to \$21.21.

Going forward we want to make sure that the Assessing Department is functioning properly in updating assessments. Therefore, I have ordered CFO John Griffin and my Chief of Staff Kim Kleiner to perform an audit of the department and to recommend changes that should be made. They will report to me, the Board of Aldermen and the Board of Assessors soon.

### **The Coming Budgetary Challenges**

On March 12 I will be proposing the FY 2020 budget. The biggest budgetary challenge facing us for the coming year is an increase of \$3 million or 11 percent in health insurance costs for city employees.

Given this substantial fixed cost increase, we will have to be very careful regarding other areas of spending. My bottom line is that, despite the \$3 million increase, we must be able to deliver a tax rate that does not go up more than 3 percent.

In order to accomplish this goal, I am going to have to cut the budget requests made by some departments, especially those whose requests are higher than my budget guideline of a maximum increase of 2.25 percent. The Board of Aldermen will need to review all requests carefully in order to avoid a tax increase which is more than Nashuans can afford.

### **Bringing Commuter Rail to Nashua**

Our ongoing efforts to bring commuter rail to Nashua have new life. Our legislative delegation led by Senators Cindy Rosenwald and Melanie Levesque and Representative Jan Schmidt is working to insert into the state's 10-year transportation plan the \$5 million in federal funds needed to complete what DOT Commissioner Victoria Sheehan calls the "final project development phase" of the Capitol Corridor Project. Given the changes that we have seen in the legislature and in the Executive Council with Debra Pignatelli, we have a realistic chance to get the project development phase, including a feasible financial plan, done in the next 2 or 3 years. Tracy Hall and I testified in favor of SB 241 in Concord a couple of weeks ago.

So, on the rail front there is encouraging news.

### **Reducing Traffic Congestion in Our South End**

For our south end residents we have the opportunity to make a significant improvement to our south end infrastructure.

Tonight I am announcing that I am working with the State DOT, Alderwomen Maryanne Milizzi-Golja, our staff, and the Flatley Company to improve the traffic congestion on Spit Brook Road and Exit 1.

The first step is the construction of a south bound on-ramp from Gateway Hills onto the Everett Turnpike, which the Flatley Company is agreeing to pay for. The next step could be an off-ramp from the turnpike. These infrastructure improvements will divert hundreds of cars from Exit 1 and will help relieve traffic congestion for our south end residents.

### **Excellent Education for Every Student and a Project for the Best Middle Schools in New Hampshire**

Our economic development initiatives and education have a lot in common. Both are about realizing human potential.

Nashua has excellent schools. The incredible things that our students are doing and the dedication of our teachers are proof of that.

Take the three students, Janna Hantula, Patrick Martin and Sawyer Cosgrove, of Nashua South who saw the cafeteria sign “No money, No food” and realized that there were students going without meals because they didn’t have the money to pay. Janna, Patrick and Sawyer have launched Meals Matter to make sure that their fellow students don’t go hungry at school.

Dedicated teacher Erin Knoetig and Nashua Technology Center Directors Amanda Bastoni and Mike Quilkin created the innovative pilot program Girls in STEAM to draw girls into science, technology, engineering, the arts and math and to bring gender equality to these fields.

Our goal in Nashua is to provide excellent education for every student at every school every day.

In order to ensure educational excellence for our middle school students, we need a citywide Middle School Upgrade.

The Elm Street Middle School does not meet 21<sup>st</sup> century standards. The Joint Special School Building Committee led by Alderman Rick Dowd is looking at two the options: Either rebuilding Elm Street or building an entirely new school. Cost will be the primary driver of this decision. Preliminary analysis says that for many reasons it would be cheaper and better to build a new school to replace Elm Street.

Either way, this Middle School Upgrade should also make needed improvements to our other two middle schools, Fairgrounds and Pennichuck. The total cost could be \$60 to \$70 million. I have been working with our CFO and City Treasurer to develop a financial plan that can fit this project into the city's current debt service budget so that the upgrade of our middle schools does not adversely affect the tax rate. Keep in mind that we do pay off about \$18 million in debt every year.

I am glad to say that we have developed a feasible financial plan.

So, I am announcing tonight that I support taking on the Middle School Upgrade on an ambitious schedule that will enable us to open new classrooms for our sixth- seventh- and eighth-graders for the school year beginning in September 2023.

In addition, I will be urging our School Board and School Department to add more challenge to our middle school curriculum, so that by fall 2023 Nashua offers the best middle school education of any district in New Hampshire.

I want to express one caution about the need for fiscal discipline. Given the expense of the Middle School Upgrade, we cannot undertake any new significant bonded projects for our schools or elsewhere until after the middle schools are complete. We have built into our financial plan some room for a few smaller projects, but nothing major. In order to complete the Middle School Upgrade without busting the budget, we need to exert discipline regarding any future big projects.

### **The Nashua Community Includes and Welcomes Everyone**

For the last 200 years immigrants have brought their families and their dreams of a better life to Nashua – they helped build the Nashua of today.

Nashua is a welcoming city and we embrace all people regardless of nationality, religion, race, or ethnicity who come in good faith to join our community.

We welcome the LGBTQ community. And thanks to the efforts of our Pride Committee, I am proud to say that Nashua's first annual Pride Parade last June was a huge success.

This past weekend we celebrated Black History Month, after a lapse of some years, as a result of the dedicated work of a young man in our community, Jordan Thompson.

## **A City for Every Generation**

Nashua must also be a city for every generation.

After our recent state-ordered revaluation, we are increasing our elderly property tax exemption by 25 percent. Ours was already the largest exemption in New Hampshire, and the increase we are undertaking now will expand that exemption further.

In April, I will be holding my first Senior Summit to which seniors will be invited to discuss all issues of concern.

Our seniors understand the importance of leaving the legacy of a prospering city to our children and grandchildren.

## **Riverfront Master Plan and New Announcement of Riverwalk Lighting**

The Nashua River runs through the breadth of our city from the Hollis line to the Merrimack.

For centuries Nashuans have been living and working beside our namesake. In our early days the river powered the mills and served as a conveyor of commerce. Today, the Nashua generates clean hydro power at Mine Falls and Jackson Falls dams. Above Mine Falls the fishing is good, the otters are busy and the herons are graceful.

For the downtown section of the Nashua, the city has adopted a Riverfront Master Plan to enhance the beauty of the river and to attract more people to enjoy this precious amenity in the heart of our city. This spring we will begin removing overgrowth along the banks of the river.

Tonight I am announcing the next step – our plan to light the walkways along the river and to light the Cotton Transfer Bridge. Lumen Studio will design our lighting. I am optimistic that you will see the illumination along our riverfront by this fall.

### **Reducing Greenhouse Gases**

In April 2016, I joined in the fight against climate change by signing on to become a Climate Mayor. This is a commitment that we will work to reduce the use of energy and reduce the city's carbon footprint.

Working with the Board of Aldermen we created the Environment and Energy Committee. The E and E Committee under the leadership of Chair Doria Brown has developed goals for reduced energy use, and I will be recommending that the Board of Aldermen adopt those goals.

We have already taken steps to cut emissions. Between 2011 and 2016 the city cut energy use in our city buildings by 31 percent. This means 5,800 less tons of carbon dioxide in the air every year. In 2016 we converted our street lights to LED, saving over \$350,000 per year in electricity cost. We have new CNG busses, which cut emissions by 30 percent. We have ordered the

beginning of a new generation of electric hybrid busses. By the way, BAE produces the hybrid engines of these clean vehicles.

Our goal must be to both reduce greenhouse gas emissions and reduce energy costs for our taxpayers.

In order to develop new energy saving projects, the city needs an energy manager. This is a primary recommendation of the E and E Committee. So, I am announcing tonight that I will include in the coming budget a new energy manager position. This expert will work with the city and the School Department to develop new green energy-saving projects.

I will also include in the budget more charging stations in our city garages. We want to encourage the use of electric vehicles, and this step will help us do that.

### **Nashua's Model Safe Stations Program**

Since the opioid crisis began, I have talked with many families, mothers, fathers, sisters, brothers, grandparents, grieving because of the loss of a loved one. The opioid crisis has torn families asunder and has ended too many young lives.

I have listened and learned from these moving stories. In early 2016, we began the Mayor's Opioid Task Force. Later that year, I asked a group of community partners, AMR, Harbor Homes, Nashua Fire Rescue, Public Health, the Nashua PD and others to come together to create Nashua's Safe



Stations program. In November 2016, we launched Safe Stations. Anyone who is seeking help with an addiction can go to any Nashua firehouse at any time and get help.

So far, 2,700 people have reported to a fire station. All have been offered treatment. This is a disease of relapses, but anyone who has reported to a Nashua Safe Station is 60 to 70 percent less likely to suffer a subsequent overdose.

Opioid deaths in Nashua are down 20 percent from 2015.

Safe Stations is being held out as a model for anti-opioid programs throughout the country. HRSA, a part of federal Health and Human Services, held a day-long workshop in Nashua to highlight Nashua's Safe Stations and to encourage other cities to consider adopting a similar program.

The State of New Hampshire, using money appropriated by Congress, has developed a hub and spoke plan. Here in Nashua, the new hub agency Granite Pathways is working with us to fill in gaps while leaving in place our Safe Stations model.

Three people a day are still reporting to our fire stations in order to get help.

On another front, our lawsuit against the drug companies who covered up the dangers of opioids is ongoing.

Our community is also fighting back by being more caring, more compassionate and more kind. Greg Amaral and Wendell Walker's efforts symbolize Nashua's compassionate character. They hold signs around town like "Nashua is a City of Kindness" and "You are Awesome." Positive Street Art has created two thoughtful murals, "Gratitude" on Main Street and "Take Courage" on Temple Street. Gratitude expresses our thanks for many blessings including Safe Stations, sobriety and recovery. Take Courage expresses the compassion and sympathy which our city has for those who have been taken from their families and from us by opioids.

Thank you to Manny Ramirez, Cecilia Ulibarri, Tom Lopez, Jason DeBow, Positive Street Art, and many volunteers and contributors for bringing us these life- and hope-affirming works.

### **Continuing to Work Together**

By working together we have made Nashua a more dynamic, a more inclusive, a more compassionate city.

We've expanded the potential for our people and for our community.

We've listened and we've led.

And we're going to keep pushing ahead.

I look forward to working with all of you, to continue building a city that is welcoming and warm-hearted, innovative and inclusive, confident and compassionate.

Thank you to the great City of Nashua. And God Bless.