

# **CITY OF BOWIE**

## **STATE OF THE CITY REPORT**



**MAYOR G. FREDERICK ROBINSON**

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## STATE OF THE CITY OF BOWIE JANUARY 2014

Thank you for the kind invitation to speak to you today. It is a pleasure to be with you and to meet here in one of the City's great success stories – the Bowie Senior Center – where you are likely to encounter many of the folks that helped convert Bowie from a development to the great community it is today.

Over the years, the Chamber and the City have been great partners; and your 30<sup>th</sup> anniversary last year marked a significant milestone in your history.

I am looking forward to us getting together again in May for the 7<sup>th</sup> Annual Business Recognition Awards and in August for the 3<sup>rd</sup> Annual Bowie Public Safety Awards ceremony – which by the way, means a great deal to the men and women serving our City every day in always challenging, and occasionally dangerous activities. I offer you a personal thank-you for taking time from your busy schedules for that important event.

And, I certainly don't want to forget Youth Leadership Bowie, an outstanding program operated by the Chamber and the City, now in its 16<sup>th</sup> year, and affording great programs and educational opportunities for outstanding young citizens of Bowie.

Special thanks to Executive Director Kelly Pierce, who in addition to her daily Chamber tasks, serves on the City's Economic Development Committee and on the Board of our business incubator known as the Bowie Business Innovation Center or Bowie BIC. This cooperative venture between the City, the County and Bowie State University is now a successful launching pad for new and exciting entrepreneurial ideas, bringing new jobs and new opportunities to Bowie's business community. Thank you Kelly for your work on the Board and for your dedicated service to the Chamber and the Bowie community.

To those of you who have been with the Chamber a while – thank you for your many contributions to Bowie. To those members who have joined more recently – you are now a part of an effective and very well-respected organization. I hope that you take advantage of all that it has to offer.

Again, I thank you for the opportunity to talk with you about the state of our fair City. First, let me talk about our guiding principles.

The City operates on a strong business model. We understand the simple yet often elusive premise that if your outgo exceeds your income, your upkeep will be your downfall.

We recognize the value of every tax dollar and we are committed to managing each one carefully.

We recognize both the value and the necessity of conducting the business of government in an open, transparent manner and we do so within the bounds of solid, conservative, management protocols – not unlike those that guide your successful businesses.

- We balance our budget each year.
- We pay as we go whenever possible.
- We fund core services first.
- We use unexpected or non-recurring revenue to fund our capital projects.
- We recognize the need to prioritize – we know that if everything is a priority, then nothing is a priority.

Our core services are focused on keeping those who live and work in Bowie safe and healthy. They include:

- Water and sewer service;
- Refuse and recycling collection;
- Stormwater management;
- Public Safety;
- Streets and Roads;
- Parks and Recreation; and
- Environmental Protection

As a result of these policies, we have earned and we will work hard to preserve our prestigious AAA bond rating, one of only two municipalities in Maryland, by the way, to have this standing.

That said, I am quite confident in telling you today that despite recent economic challenges, and the uncertainty of the immediate future, the state of the City is excellent. Our budget is balanced. Our bills are paid. Our reserves are strong.

For the current fiscal year our projected revenues are almost \$43 million (\$42,974,000) and our expenditures are anticipated to be a little over \$42 million (\$42,063,000).

Our revenue comes from residential property taxes, shared income taxes, business taxes, licenses, fees, and grants from other levels of government.

Revenue increased by 8.1% in FY 2013 and is projected to increase by about 5% in the current fiscal year, and we anticipate growth of approximately 3.8% in FY 2015. Fortunately, our local economy has been resilient despite all of the recent economic woes and we think the long-term outlook is very good.

We spend almost a third of our budget on public works, another 20% on public safety, 13.5% on parks and recreation, and 4.6% on social services. Debt service is less than 3% of our annual expenditures. The remainder goes to general government expenditures and transfers to other funds.

Due to careful planning, conservative spending, solid reserves, and because the County reduces the property tax rate of Bowie residents for services provided by the City rather than the County, our taxpayers have a combined City/County tax rate today that is lower than it was in 2004, which I must point out was before the Bowie Police Department was established. In fact, the City's property tax rate has been flat for four years and I expect that with the support of my colleagues this spring, we will make it 5 years at the same tax rate.

As I have explained, the stability in our finances is no accident. We are careful stewards of taxpayers' money, but we also work to nurture and encourage growth in our City and in our local economy where it makes sense to do so. Economic development is an important priority for the Council and an important focus of our management team. We are all about the business of business in Bowie.

Let me talk about some of these efforts and report on recent progress...

Census data tells us that:

- There are almost 1,500 (1,464) businesses in the Bowie area, representing 10.5% of all County businesses and 9.4% of all employees in the County.
- We also have 11.6% of all County businesses employing fewer than 5 people, which speaks to a strong entrepreneurial spirit here.

Through our financial support of the Bowie Business Innovation Center, we continue to encourage more new businesses to start up, to flourish, and then to assist the next new entrepreneur willing to take the risks and open a new Bowie business.

Bowie has roughly 3.6 million square feet of retail space with a vacancy rate under 5%, which is a very good number. These figures don't include the Bowie Marketplace property – though it does still have some tenants in place. The retail data keepers have already zeroed out the 'old' Bowie Marketplace and are waiting for the new one to again be counted.

Speaking of Bowie Marketplace, it has new owners. Berman Enterprises, a third generation Maryland development family business bought this failed retail center and is now devising plans for a 21<sup>st</sup> century use of this property that is consistent with the City's vision. We expect to see a proposal for quality mixed use there that will prove to be an exciting addition to the City.

Hilltop Plaza continues to be a success in its new life. Two more restaurants have recently arrived there -- the Olive Grove with its Italian-American cuisine and the Irie (*pronounced IRE-EE*) Café with Jamaican cuisine.

Collington Plaza on Route 301 was purchased this past year by the Phillips Edison Company from Ohio. The new owners are one of a growing number of successful real estate investment trusts. The site is currently leased to full occupancy.

Late last year Simon Properties spun off ownership of Bowie Town Center to a new entity. Simon Properties will still be involved in the leasing and management of this center; but with the new ownership, the Bowie property will benefit from the spin-off's greater ability to invest in maintenance and repair, which is important as this center enters its second decade of life. One fact remains unchanged – there is a waiting list of tenants seeking to lease space at Bowie Town Center.

For the ninth year, the City of Bowie is organizing and leading a team made up of representatives from Bowie, College Park, New Carrollton, and the County Economic Development Corporation in a business recruitment effort at the International Council of Shopping Centers Mid-Atlantic meeting next month at the Gaylord National Harbor. This Bowie-led, multi-jurisdictional team gets attention and demonstrates our firm commitment to recruiting retailers to locate here.

We also are continuing our efforts to bring more grocery stores to shopping centers with vacancies, by advocating again this year in Annapolis for a change in liquor laws that would allow for grocery stores in Bowie to be able to sell beer and wine. Grocery retailers have told us time and again that they need those sales to be profitable in our market, so we're doing what we can to make that happen.

We are working with property owners to reduce office vacancy rates. Bowie has roughly 2.8 million square feet of office and flex space with about 325,000 square feet available for lease. That is a vacancy rate of almost 12%. Most of that vacant space is at Melford and at the office building at the corner of Northview Drive and 197, known by some as One Town Center. This property sold in December for its asking price of \$8.8 million. The new owners are already working to attract new tenants to fill the vacant space.

Speaking of Melford, owner St. John Properties has submitted a new concept plan for the development. It includes:

- up to 2,500 residential units, including at least 500 active senior units;
- up to 100,000 square feet of retail; and
- over 300,000 square feet of employment and research space on the remaining 122 acres.

There are other signs of progress in our local economy recently, such as the opening of Harmony Place, a 286-unit, luxury apartment community adjacent to Bowie Town Center. The project is now substantially complete and occupied.

A mixed use rezoning proposal was recently filed for the 19-acre Amber Ridge property in Pointer Ridge. There also seems to be renewed developer interest in moving forward with the large, mixed-use development at Karington, located at the southern end of the City, along US 301 south of Central Avenue.

The City Council supported a Special Exception application for a 180,000 square foot Walmart at Mill Branch Crossing. This application, which goes before the County's Zoning Hearing Examiner at the end of February, will retain a major commercial use and hundreds of jobs in our City. We believe that approval of Walmart can spur other planned development on the 74-acre site.

Decisions made by City Council to support mixed use at Melford and to support a new, larger Walmart on the east side of 301 have not been easy ones. I applaud those Councilmembers that supported these actions and for being willing to take on these complex issues. I am confident that they will continue to weigh the facts and make the courageous decisions that will strengthen our local economy and increase job opportunities in our City.

We continue looking at possibilities for the Bowie Race Track property and we continue working with State officials and the owners to arrive at a solution that makes sense and preserves a green buffer to our north. It is our intent to acquire the property, thus protecting a valuable environmental asset while simultaneously expanding active and passive recreational options.

We are moving forward with long-term improvements at Allen Pond Park and at Whitemarsh Park that are outlined in Master Plans for these two popular parks. We continue to make progress on planning and budgeting for a new indoor sports facility in Bowie to satisfy the growing demand for indoor court space.

Spending on capital projects that enhance community amenities and improve opportunities are only part of our goals for the future. We also are looking to bring in new businesses, support existing businesses, and make Bowie an attractive destination for businesses, shoppers, and for those seeking to put down roots in a new place. Through carefully planned expansion, we can grow, we can diversify the tax base, and we can attract the next generation of folks that will be the leaders of tomorrow's Bowie.

And so, while we always have an eye to the future – anticipating what we'll need as a community and how we should grow and mature – we are also very much grounded in the present. We are constantly asking ourselves these questions: Are we providing what our community needs and what can we do better?

Customer service is the core of everything we do. We go the extra mile for those who live, work, and operate businesses here. An incident that occurred a few weeks ago at one of our senior facilities is an excellent example of that approach.

When temperatures dipped to single digits and pipes froze, then burst at the apartment complex, dozens of seniors were displaced. It was after hours. They couldn't stay in their apartments. Some went to stay with family or friends, but there was a group that had no relatives nearby to rescue them.

Management was doing what it could to resolve the problem, County officials were on the scene, the Red Cross was mobilizing to help, but at 11 p.m. after several hours out of their apartments and a great many discussions, this group still had nowhere to go. So City officials stepped in and arranged to put up six, very exhausted and upset seniors in a local hotel for the night. I would particularly like to commend Councilmember Henri Gardner and City Manager David Deutsch for their outstanding on-site supervision of this incident.

It is simple. We are the government that is closest to its people. These are our neighbors and they needed immediate help. We aim to go the extra mile whenever we can.

One of the ways we plan to enhance customer service is with a new project in the Police Department. We are moving forward this year with a Call Center for the Bowie Police Department.

Since the Department's inception, we have examined how best to take calls and dispatch our officers. Our thinking on the subject has evolved since our first officers began patrols in 2007 and we now think the best way to improve service delivery is by establishing a non-emergency Call Center.

- When it is fully implemented, residents will be able to call the Bowie Police Department 24 hours a day to report non-emergency incidents.

- Our call takers will enter the call information directly into the Prince George's County Communications system, where it will be dispatched to a Bowie Officer.
- This approach will keep Bowie Officers on the County radio system, but give Bowie folks the advantage of bypassing the County's busy telephone system in non-emergencies. We expect this hybrid system will save more than \$1 million over a traditional full dispatch center.

The Call Center will also provide a central hub for all after-hours concerns, provide 24-hour access to the Administrative Offices of the Police Department, and serve as a unified communications system for other City Departments.

Speaking of City Departments, I would like to recognize the 400 men and women who work for the City of Bowie. They work hard in sometimes uncomfortable conditions, collecting refuse, yard waste and recycling, fixing water main breaks in frigid temperatures, plowing snow all night long, keeping the streets safe, and our parks and facilities inviting and in good working order. They are led by a strong management team that has been together for many years.

But in 2014 there will be some new challenges and new faces as some of our leaders depart for well-earned retirement. They include:

- Finance Director Rob Patrick (30 years);
- Public Works Director Jim Henrikson (28 years); and
- Information Technology Director Bob Boller (20 years).

We wish them well and thank them for their dedicated service. These are big shoes to fill, but fortunately we have very capable people throughout the organization and we will keep moving forward.

When I meet someone in the community at an event, I often hear about a street light that is out, or a neighbor who puts his trash out too early, but I know these are things that our folks are on top of and that they will soon be addressed. The concerns are almost always followed by some unsolicited, but very positive comments like “great job on plowing,” or “I was happy to see Bowie Police Officers patrolling my neighborhood”, or “that Senior Center really keeps me busy with all the activities going on there.”

Yet we do have challenges, and often they are not of our own making.

The economy is strengthening but progress is slower than desired. Uncertainties about the federal budget have kept layoffs and furloughs in the minds of many.

The housing market continues its recovery and the number of foreclosures is a fraction of what it was a few years ago, but again the progress is slow.

Unemployment has come down some, but there are still a lot of qualified people who can't find the jobs they need, which is why Bowie has hosted a large job fair here in each of the last three springs. I would particularly like to thank Councilmembers Diane Polangin and Henri Gardner for their leadership in this effort and City staff for their outstanding work on this important project.

Decisions at the State level about State shared revenues and the imposition of new mandates on local governments continue to cause uncertainty for us.

This is particularly true in the case of Highway User Revenues, which are funds collected through the gas tax and motor vehicle title fees, that have traditionally been shared with local governments to help pay for road maintenance.

For Bowie, these funds have helped us to repair and repave our 187 miles of City streets. The impact of the cuts has been dramatic over the last several years.

- In 2007 Bowie received \$3.1 million.
- In 2011 it was \$400,000.
- Since then it has been over a half million one year, a third of a million the next, and .45 million last year, with a one-time infusion of \$1 million dollars.
- For the coming fiscal year – who knows?

The bottom line is that counties and municipalities like Bowie depend on this money for road maintenance and they need their share of the tax revenue to be predictable. It is unfair to expect governments with relatively small budgets in comparison to the State, to absorb these fluctuations in funding, and continue to maintain roads in a safe manner for all to use.

And so we continue to advocate in Annapolis:

- to receive our full share of Highway User Revenues;
- to push for land use authority for Bowie; and
- for a change in State law to allow grocery stores to sell beer and wine here.

We will also be working with our Delegation to seek revenue alternatives that might allow for less reliance on property taxes to fund local governments in the future.

In summary...

Bowie has grown. We have matured.

What has remained constant is that under the Council's leadership and with City Manager David Deutsch at the helm, in all humility, this is a very well run City. We are fiscally responsible, efficient, and community oriented. At our core, we are a public service City that prides itself on our outstanding staff and enviable City services.

We are shaped by events and decisions that are sometimes made beyond our borders, but we control what we can; and when we can't, we adapt, and we advocate for changes. We are proud of our City and we will continue to work hard and strive to make it more responsive and more efficient, and always moving forward.

In closing, I am reminded that planning and guarded expectations are critical to any successful venture. I share with you some points I recently was given to ponder about Noah's experience with the ark. I find them still surprisingly relevant to all of us today.

They are:

- Don't miss the boat.
- Remember we are all in the same boat.
- Build your future on the high ground.
- Speed isn't everything - remember the snails were on board with the cheetahs.

And my favorite –

- Remember the ark was built by amateurs, the Titanic by professionals!

Have a great day. Continue your growth in business and as a Chamber. Your advice is always welcomed and appreciated.

As you leave today and return to your businesses, I ask that you keep in your thoughts all of the young men and women serving in the US military forces around the world and particularly those serving in harm's way. May they return home quickly and safely.

Thank you.