

**State of the County by Charles Bannister, Chairman,
Gwinnett County Board of Commissioners
As Prepared for Delivery to
Gwinnett Chamber of Commerce
February 10, 2010**

(Video: NCR CEO Bill Nuti and Asbury Automotive CEO Charles Oglesby on why they moved their headquarters to Gwinnett County)

Good afternoon! We're excited to be able to begin this presentation with those good words from the CEOs of Gwinnett County's newest Fortune 500 companies – NCR and Asbury Automotive – because they serve as a great reminder that success does indeed still live here.

In the midst of all the trials and tribulations we've been through over the past couple of years – in both the public and private sectors – it's worth taking a moment to pause and realize that we're still doing a lot of things right in Gwinnett County.

The Chamber tells us that Gwinnett is the only community in America to land two Fortune 500 companies in a single year.

That's something to celebrate – and to build on.

As other companies around the country and the world think about where they want to be in the 21st century, you'd better believe that Gwinnett County is higher on their lists than ever before.

And for good reason.

Gwinnett's schools are among the best in the nation. Last fall the Gwinnett County school system was one of five finalists, nationally, for the Brode Prize, the Nobel Prize of education. Our parks, water, and library systems have all been recognized as among the best in the nation. And Georgia Gwinnett College and Gwinnett Tech continue to grow, and both play a vital role in turning out the qualified workers that NCR, Asbury Automotive, and the hundreds of other businesses represented here today, need now and in the future.

You can add to all of that the presence of a first-rate and constantly improving healthcare system. I am proud to have served on our local hospital board for many years, and I've watched it grow into a first-class medical center. Today, Gwinnett Medical is one of the state's top trauma centers, and the addition of open-heart surgery puts it on a path to becoming one of the state's premier healthcare systems.

In addition to Gwinnett Medical in Lawrenceville, we have the system's new

hospital in Duluth as well as Emory Eastside in Snellville. In combination, these three fine hospitals have been able to attract hundreds of primary care physicians and specialists, giving Gwinnett County residents and others access to some of the highest quality healthcare in Georgia.

And, as we just heard, when you're talking to business leaders who are thinking about relocating or expanding their operations, you better believe it's important to be able to point to the kind of healthcare services available in Gwinnett County.

It also helps to be able to talk about the quality of life we offer here. The Gwinnett Braves attracted 423,000 attendees last year – a near 50 percent increase over their last season in Richmond. And, of course, we have this great facility that we're in today. I'm sure you noticed the line-up of coming attractions as you pulled into the parking lot this morning – everything from Women's SEC basketball to Eric Clapton, Martina McBride, and Carole King and James Taylor.

However, with success come challenges.

In an economy of this type, it wouldn't be surprising to see crime rates go up. Thanks to the outstanding job being done by our public safety organizations, I'm proud to report that the crime rate in Gwinnett County dropped in 2009. Violent crimes were down four percent and property crimes fell three percent. Despite fewer resources, our public safety organizations have done an outstanding job of protecting and keeping our citizens safe – and we know they will continue to meet that challenge.

The growth and success we've enjoyed over the years also makes it a constant struggle to meet our transportation needs. As we meet here today, right at \$90 million in federal stimulus funds are being used to advance transportation projects throughout our county – and that's on top of the \$300 million in state and SPLOST funds in our current capital improvement program for transportation. In fact, it's worth mentioning that voter support for the SPLOST is what made it possible for us to attract so much stimulus money.

Of course, none of this has just happened. It's all the result of a lot of hard work by a lot of people, now and in the recent past.

And before I get too far into my remarks, let me pause to recognize some of those who are with us today. I want to begin with my fellow commission members – Shirley Lasseter, Mike Beaudreau, and Kevin Kenerly. Bert Nasuti couldn't be with us today. I also want to acknowledge our new county administrator, Glenn Stephens. Would y'all please stand?

I want to recognize as well – and ask to stand – our judges and constitutional officers, local mayors and council members, school board members, and local legislators. Thank you all for your dedication and service to the good people of

Gwinnett County.

And we have three distinguished visitors with us today, and I'll ask them to stand as well – DeKalb County CEO Burrell Ellis, Clayton County Chairman Eldrin Bell, and Rockdale County Chairman and CEO Richard Oden. We work closely together on the Atlanta Regional Commission, and in other venues, and I'm honored these gentlemen have joined us today.

Let me recognize and thank as well Jim Maran and the Chamber and Michael Paris and the Council for Quality Growth for once again making this forum available to us for this annual State of the County report. And finally, I want to express special gratitude to Nick Masino and his team at Partnership Gwinnett.

It's hard to believe it's only been three years since the county government got together with the Chamber, the school system, Gwinnett Medical Center, and others to organize Partnership Gwinnett as the tip of the spear for our economic development efforts. The return on that investment has been more than 100 business relocations or expansions in Gwinnett County since 2007, including more than 6,000 jobs created or saved.

Last year, Partnership Gwinnett and the Chamber helped organize the county's first-ever Asian trade mission. As a direct result of that trip, Hisense Corporation – one of China's Top 10 electronics manufacturers – decided to locate its North American headquarters here in Gwinnett County. Hisense will be investing nearly a million dollars in a new facility here. At the outset, they'll be adding about forty jobs and a two million dollar payroll to the local economy, but that's just the initial footprint. I'm convinced we're seeing the beginning of an important relationship with that company and with that region of the world.

In fact, the Asia initiative is already yielding other benefits. One is that Gwinnett County has now established a sister-city relationship with the very affluent Gangnam-gu District near Seoul, South Korea. Another is that the Chamber and Partnership Gwinnett have now established our first overseas economic development office, in Wuxi, China. And the Chamber and Partnership Gwinnett are already organizing another global trade mission for this spring that will include a second trip to China.

If at all possible, I encourage you and your businesses to participate in this upcoming trip. I can promise you it will open new doors and opportunities.

Now, my purpose here is not just to pat Partnership Gwinnett on the back, although I obviously think they deserve it. My purpose is to make a couple of points.

First, I am beginning 2010 on a decidedly optimistic note. As tough as things have been over the past couple of years, I genuinely believe that we are now

reaping the benefits of several years of hard work and foundation building.

The second point to be made here is that Partnership Gwinnett is – I believe – a good example of the kind of innovative thinking that we in the public sector have got to do more of. I'll talk more about this as I get into the speech, but I believe this is one of the most important lessons of our time. The dramatic changes in our economy are dictating equally dramatic changes in the way we approach and do our jobs as elected representatives.

So, again, I open today's 2010 State of the County Address on a deliberately positive note, and I'm proud to report to you that the state of your county remains strong.

We have weathered the first part and, I hope, the worst part of this storm, and I believe we are beginning to see the first small signs of improvement.

To be clear, these improvements do not justify breaking out the champagne. I never thought I'd see the day when I would have to report to the Chamber of Commerce that our unemployment rate had improved to a seasonally adjusted 9.4 percent in December, but that's where we find ourselves today.

Without dwelling on all the numbers, let me just say that the economic deterioration appears to be slowing. A few months ago, the numbers were all bad. Now, at least, they're mixed. Over the past couple of months, for example, unemployment claims and eviction notices have been up and down. Hotel rentals have ticked up slightly for each of the past couple of months and year-over-year sales tax collections rose slightly in November and then went up eighteen percent in December.

Again, I'm not ready to break out the champagne, but there are indications that cause us to think we are at least close to the bottom. The question is how long before the metrics begin to improve, and the honest answer is that it may be a while. Our best read is that we will probably bounce along the bottom for a while before a true recovery takes hold.

As all of you know, last year's economic downturn and the collapse of the housing market had a dramatic effect on property values. Last year the impact on county revenues was negligible, but this year ... and probably for a good number of years to come ... the impact will be substantial – particularly as we begin to feel the impact on the commercial property tax digest.

As one policy response to the current situation, we have asked the county's legislative delegation to consider sponsoring and passing a one percent Local Option Sales Tax measure that would allow us to take this matter to the voters this fall. Gwinnett is one of only three counties in Georgia where the sales tax is six percent rather than seven. If the voters approve the new penny tax, it would

generate approximately \$150 million in new revenue. The legislation I propose would require that half of that revenue would go to fund a property tax rollback, and the other half would go to support county operations. And, of course, at least thirty-five percent of that new sales tax revenue would be paid by non-Gwinnett residents who shop here... so the tax burden would be shifted in significant part to out-of-county residents. Obviously, we still have our work cut out for us, and some hard choices to make.

Indeed, as I suggested earlier, I think we're in a period of profound change. Governments are going to have to rethink their roles and responsibilities. And the people we serve are going to have to rethink their expectations of government.

In this regard, I believe Gwinnett is well positioned. Last year your county commission formally adopted the 2030 Unified Plan. That document was years in the making and serves as a blueprint for the future. In fact, many of the good things I've already mentioned today flow from that plan and the thinking that shaped it.

In the wake of the economic downturn, we may have to rethink certain aspects of the Unified Plan – but at least we're starting from a solid, well-thought-out plan that is rooted in fact and reality.

In addition to the Unified Plan, we now have the good work being done by the citizen volunteers serving on Engage Gwinnett. You may recall that we announced the creation of this group at the mid-year State of the County address last September.

Since then, forty-two Gwinnett County citizens – representing almost as many specific stakeholder groups – have been meeting and bringing an independent set of citizen eyes and ears to the hard questions about county services and funding strategies. They're due to submit their recommendations this spring, and I'm optimistic that their efforts and insights will help guide the Board of Commissioners in making some very difficult decisions impacting our quality of life.

I want to emphasize as well that Engage Gwinnett is representative of a new spirit of public communication and engagement that I am determined to foster for the remainder of my time in office. Sometimes those of us in elective office get so busy trying to work through the issues and problems we face, that we neglect the very important task of informing and gaining input from the public about our thinking and our actions. It's not deliberate; we just take it for granted. That was a big part of our problem during last year's millage rate debate, and one I'm determined to fix.

In this same spirit, I am announcing today a new initiative to create a forum in which Gwinnett County leaders can focus and work together on meeting the

long-term challenges facing our community. We envision bringing together a number of major stakeholders to work with the Commission on major problems that we should all have a hand in solving. These include representatives from the fifteen municipalities, the Board of Education and our post-secondary institutions, our state legislative delegation and congressional offices, the hospital system, local constitutional officers, CID representatives, and major community groups, including the Chamber and key non-profits.

We're still working through the mechanics of this initiative, but I've been very encouraged by the reaction so far. We hope to pull together an organizational meeting within the next couple of months and, over time, would envision addressing such common challenges as water, transportation, education, public safety, and healthcare.

Another example of how we're rethinking what we do and how we do it has to do with the potential privatization of certain public assets. I put primary emphasis on the word "potential" to underscore the fact that we are moving very cautiously and deliberately in this area.

Briscoe Field obviously represents one such opportunity. As has been widely reported, the county has been approached by a private company with a proposal to buy or lease Briscoe and transform it into a small commercial airport.

We're a long way from a final decision, but the Board of Commissioners was intrigued enough by the idea, that we voted unanimously last month to initiate what is called a pre-application process with the FAA. We've also undertaken a comprehensive study to look at the pros and cons of this idea.

Public reaction to this concept has been overwhelmingly positive, and that's very important. I expect we'll have a clearer picture about whether this is even feasible within 90 days, but that's just the beginning of the process. Even if it looks good on paper, we know it'll take several years to satisfy all the FAA requirements.

Another area where we may seek private sector capital and involvement is transportation. The simple fact of the matter is that, today, governments at all levels lack the financial resources to develop transportation infrastructure – and there is private sector capital that is seeking to enter this market.

Public-private partnerships are much more common in other parts of the world, but have been slow coming to America and the Southeast in particular. I was very encouraged recently when the Georgia Department of Transportation re-launched its public-private partnership program and included the Sugarloaf Parkway Extension as one of its priority projects.

This project is envisioned as a four-lane toll road that would run more than thirteen miles from State Route 316 at Dacula to Peachtree Industrial Boulevard

in the Buford area. This is a project that has been on the GDOT and Gwinnett County drawing boards for many years. More than 60 percent of the right-of-way has already been purchased, and the necessary environmental approvals were secured some time back – although they may need to be reviewed and updated.

This project still has to clear a good number of hurdles. It'll be several years, at best, before it gets started, but the fact that it made GDOT's new P3 priority list is good news, and there is substantial community support for this project.

Let me say a word about a few other major issues in which I suspect we all have an interest.

First, I had hoped to be able to announce the resolution of two very important matters – the service delivery strategy agreement with the cities and the county's solid waste management plan. I believe we're making steady progress on both of these issues and I'm confident that we'll resolve them in the near future, but for now they remain under discussion.

Another major issue is water. Judge Magnuson's ruling last summer was obviously a significant setback to the state generally and to Gwinnett County in particular. If we can't resolve this issue before the judge's deadline of July 2012, then we've obviously got some major problems that would likely result in a legal firestorm.

That said, there seems to be reason for cautious optimism. Governor Perdue and his counterparts in Alabama and Florida have been given permission by the court to negotiate privately in hopes of developing a tri-state compact. Governor Perdue has said publicly he's hopeful of taking such a final agreement to the General Assembly as early as this fall.

Of course, Governor Riley in Alabama and Governor Crist in Florida will also have to take this same compact to their state legislatures, and all three will have to approve the same document without changing a single word. Once that's done, the compact will have to be sent to Washington for approval by the U.S. Senate and the House of Representatives – again, without changing a word.

As tough a challenge as this is, my sense is that the table may be finally set for a resolution of this issue – and we remain very hopeful that the governors will be able to forge a workable compromise that will, at a minimum, bring some clarity and certainty to this situation. At the same time, Gwinnett County has filed an appeal to the judge's ruling in order to preserve our legal options.

Finally, I want to return to the financial situation and spend a few minutes talking about the budget. Setting the budget is the most important thing the Board of Commissioners does, and it's where the most important decisions get made.

Last year was the toughest year we've been through, and of course, everybody is well aware of the difficulty we had in setting our millage rate.

It wasn't any fun, but in the end I think it was healthy. It provoked a much-needed public discussion about our priorities as a community and what we're willing to pay for the services we need and want.

Last month, we adopted a 2010 budget of \$1.33 billion – a 22 percent reduction from our 2009 budget. Like everybody else, we are doing what we have to in the current environment, and I believe both the Commission and the county's administrative staff are doing an outstanding job of managing through these difficulties. It bears mentioning that despite the drop in revenues, we have maintained the county's triple AAA credit rating. And the budget we've adopted will allow us to hire 58 new police officers and re-establish the much-needed Quality of Life Unit within the Police Department with 10 new positions.

We will fully staff three new fire stations and add 10 new positions to our 911 center. We will also build two new fire stations, one of which will serve Georgia Gwinnett College and the surrounding areas, and we plan to staff them in 2011.

Many other capital projects are being deferred because of projected shortfalls in operating revenues. We're in a bit of an odd position in that we have the capital funds to build certain projects, but we don't have sufficient operating revenues to support those new projects. For that reason, we're focusing on capital projects that don't require major investments of ongoing operating dollars – and to a significant degree, that means transportation.

Last year alone, we funded and implemented 20 Quick Fix transportation projects, installed 35 miles of fiber optic cable to support our new Traffic Control Center, and continued work on other key transportation projects.

A few moments ago, I mentioned GDOT's potential plans to extend Sugarloaf Parkway from 316 to Peachtree Industrial Boulevard near Buford. The county, of course, has long been hard at work on other portions of Sugarloaf. Just last week we cut the ribbon on the first phase of the new Sugarloaf Parkway extension and are on track to finish the second next year – and we recently awarded a contract for work on the third phase. When this entirely new section of road is finished, it will connect State Route 20 south of Lawrenceville to 316 near Dacula with a four-lane divided highway. And it will, by the way, be the first county road to be built largely with SPLOST dollars.

Two new bridges over I-85 are now under construction – one at State Route 324 above the Mall of Georgia and the other at the McGinnis Ferry Road extension. Both have been designed to serve as future I-85 interchanges.

In addition, the state will begin work soon to convert fourteen miles of HOV lanes

on I-85 to high-occupancy toll lanes. This is a concept that has proven effective in other congested urban areas, and it's the first of its type in Metro Atlanta.

As well, our Community Improvement and Tax Allocation Districts continue to move ahead with the planning and implementation of a variety of important revitalization projects. These range from new landscaping at I-85 interchanges to the removal of old reversible lanes on US 78 and streetscape improvements around Gwinnett Place Mall. Soon, you'll see work begin on improvements to bridges over I-85 at both Jimmy Carter and Pleasant Hill.

So we're not standing still.

We're following Teddy Roosevelt's instruction: "Do what you can, with what you have, where you are."

Truth is, we're doing a lot. We're working harder and smarter to maximize our resources and make the most of a difficult set of circumstances.

I said earlier the state of your county is strong. I believe that as we work through the current hard times, we can and will emerge even stronger – especially in comparison to other communities in Georgia and around the country.

We're working to ensure that the reasons Bill Nuti and Charles Oglesby decided to move NCR and Asbury Automotive to Gwinnett County will be just as valid in 2010 and beyond as they were in 2009.

That we will continue to have an unsurpassed combination of excellent schools and colleges, first-rate healthcare, outstanding parks and libraries, and best-in-class public services.

And that Gwinnett County will continue to be a sound choice for the Fortune 500 company looking for a 21st century home, the foreign manufacturer seeking a new U.S. headquarters, the visionary entrepreneur thinking about where to build her new high-tech business, and, perhaps most important, the young family trying to decide where to settle down and raise their children.

I am determined that Gwinnett County will continue to be that place. I know you are as well.

If we continue to do all we can... with what we have... where we are, I have no doubt we'll get the job done.

Thank you all for being here and for all you do for Gwinnett County.

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