

State of the County Address
Delivered by Wendy Jacobs, Chair
Durham Board of County Commissioners
Monday, March 13, 2017
7:00pm

Good Evening! I would like to welcome everyone in our audience tonight, along with those of you who are viewing this message on television and online. It is my honor and privilege to serve as Chair of the Durham County Board of Commissioners, and to work in partnership with our Vice-Chair James Hill and Commissioners Heidi Carter, Ellen Reckhow and Brenda Howerton. As your elected representatives, it is our collective responsibility to make decisions in the best interest of our community, and to set the direction and policy of Durham County Government.

We do this work in partnership with our County Manager, Wendell Davis; our County Attorney Lowell Siler; our Clerk to the Board, Michelle Parker-Evans, Chief of Staff, Drew Cummings and our Five General Managers Deborah Craig- Ray, Gayle Harris, Jodi Miller, Jay Gibson, and Claudia Hager. Our Durham County team includes 27 department directors and the 2,600 county employees who deliver outstanding services to more than 300,000 Durham residents each day. We could not do what we do as county commissioners without this partnership of Durham County Government

The annual State of the County address provides an opportunity for us to look back over the accomplishments of 2016, assess the challenges we face, and to share my vision for 2017 and the years ahead.

In 2016 Durham County continued to thrive. Overall, we saw a strong, stable and sound fiscal year even as the overall economic climate in the state and nation experienced slow to moderate growth in wages, jobs and income.

As the fourth largest of North Carolina's 100 counties, we are fortunate to be part of the dynamic Triangle region. With a projected population growth of **34% by 2020, to increase by 50% by 2035, the highest of any area in the state**, the Triangle is on a trajectory to be the most important and vibrant region in North Carolina, with Durham playing a pivotal role in its geographical center.

When we compare ourselves to other mid -sized counties nationwide, we see that our unemployment rate of 4.4% is still moderately above the national county average.

Looking to the coming budget year, we are projecting a growth rate in county revenues of 1.56 %, which is slightly below our 2% 2016 growth rate. This is primarily due to slower growth in property and sales tax revenues and the impact of state property tax exemptions and state sales tax redistributions.

In 2016 we were fortunate to experience an investment of \$875.8 million in new and existing businesses and the creation of 4,256 new jobs. This is indeed cause for celebration but we must also remember that 5,500 Durham residents remain unemployed.

These are all important indicators that tell us we must continue to sustain, support and foster a diversified economy that is benefiting all sectors of our community. We must work harder to

prepare our citizens for the good jobs coming to Durham. We must better connect our residents to these opportunities.

I would like to share some other key indicators with you. Durham's population has increased by more than 23.2% over the past decade. If you have spent any time in Downtown Durham lately, you will not be surprised to know that the largest portion of our population-18.8% - is now comprised of millennials, 25-34 year olds, exceeding that of Wake or Mecklenburg Counties. The poverty rate for children in Durham is currently 22% which is below the state average of 24% but clearly unacceptable in a community such as ours with so many assets and resources. We will need to continue to make strategic decisions in Durham County Government in the coming year and the years ahead to plan for our projected population growth, meet the needs of our millennials and eliminate poverty in our community.

To ensure that Durham County is continuing to thrive and grow and address the needs of our citizens we continue to do our part with Durham City government, the private sector, non- profits and other community partners to move Durham forward. We are known throughout the nation and world as an innovative, welcoming, tolerant, diverse, creative place to open a business, pursue a dream, be an active retiree or raise a family.

In 2016 Durham continued to receive literally scores of accolades in every category imaginable and from a multitude of sources. Just a few examples include:

- Duke Hospital among 2016-17 **Best Hospitals Honor Roll—US News & World Report**
- DPAC listed as #5 in Attendance in the United States by Pollstar Magazine
- Durham among Best Green Cities by Sperling's Best Places

We are also considered one of the best places in the nation to live if you are a working mom, a black female entrepreneur, a nurse, a veteran, an artist, a beer lover, an urban farmer, a single mother, a minority start up and of course, a foodie. Sure sounds like we are a County for everyone!

In 2016 we have also had the challenge of **HB2** and its impact on the State's image and the negative economic consequences of this discriminatory and harmful legislation. Durham County experienced the loss of events such as the ACC Baseball tournament which alone represents a revenue loss of more than \$5 million per year. Despite HB2, Durham County will continue to stand up for the values of diversity and equal rights for all people, values that we hold so dearly, and we will continue to invite all people to come and live, work and play in our community.

Over the past year, Durham County has made strides in **Goal 1** of our Strategic Plan: **Community and Family Prosperity**. We have continued to make investments in jobs and add to the number of cranes dotting the skyline in downtown Durham with our renovation of the Judicial Building that will consolidate county offices, and activate the East Main streetscape with first floor retail and a welcoming public plaza. With this project we have also implemented a Construction Manager at Risk (CMAR) model with the goals of reducing project costs and increasing opportunities for local and Minority & Women Business Enterprises. We have already seen gains made in our newly revised criteria with an excess of 34% MWBE Contracts in subcontractor participation with this project.

Consistent with these goals and strategies we have also begun the Main Library renovation which will be completed in 2019. The renovated Main Library will increase in size from **65,000 to nearly 85,000 square feet** plus an additional floor added, and will be redesigned to better connect to downtown Durham and adjoining neighborhoods. New technology and spaces for creativity and innovation will be integrated into the library so that all people in our community have access to the skills and education needed for the jobs of the future. The Main Library will truly be a signature building for the enjoyment of everyone in our community!

Durham County also continued to invest in the historic Fayetteville Street – Hayti area by investing in our seniors, youth and children with the Whitted School Project and the Student U/ WG Pearson Project. The Whitted Project, a public private partnership with Durham Public Schools, the City of Durham, 40 AM and Integral Development is nearing completion. It will provide 79 stunning affordable housing units for seniors and 8 beautiful pre-k classrooms that will include opportunities for intergenerational learning such as a shared gardening space. The County is also a partner in Student U’s purchase of the historic WG Pearson School building which will preserve another landmark for community use, and help this program grow, expand, and continue to provide academic support for middle and high school students to achieve college admission and success.

Another great achievement under **Goal 1** was the successful \$170 million dollar bond campaign. More than 83% of Durham residents voted to approve the bond package which will help us make continued investments in the educational needs of our community- from Durham Public Schools plans to build a new Northern High School and make needed renovations and repairs throughout their system, to the Main Library renovation, to Durham Technical Community College’s plans for expansion and modernization, to the Museum of Life and Science needs for additional exhibit rooms and structured parking for visitors.

As we experience funding challenges due to state and federal policies and decisions, it will be of even greater importance that we look at ways to support our local economy, attract visitors and businesses to Durham and generate additional sales, occupancy and property tax revenue to support vital services and programs in our community. The creation of the Durham Sports Commission is a great example of this type of effort. As a result of collaboration between Durham County Government, Durham City Government and the Durham Convention and Visitors Bureau, the Durham Sports Commission was appointed in the fall of 2016, and recently hired its first executive director. We look forward to hearing about all of the exciting sports events coming to our community!

In Goal 2: Health and Well-Being for All, we continued to make key investments in equipment and personnel. For example, in Emergency Medical Services, the County has seen an increase in service demand of 50.4% in the past 10 years as a result of our increased population growth.

In response, we have invested more than \$7 million in equipment and infrastructure and have hired an additional 33 paramedics since 2014. We are building a new co-located EMS station with the Durham City Fire Department on Leesville Road. Going forward, we will continue to

look at innovative ways to provide effective EMS services such as a community paramedicine pilot program.

Our Department of Social Services serves about 113,000 Durham residents each month helping with basic needs such as medical care, food, heating, housing, job training, and protection of vulnerable children and adults. Similar to rising levels across all counties in North Carolina, Durham County experienced a 47% increase in our foster care population between 2013-2015, with a 10% increase this past year. We ended 2016 with 268 children in Durham County Foster Care. We are striving to address the root causes of this crisis, and support our children and families. You can find more about how you can get involved with our **Raise Hope. Foster Dreams** campaign.

In **Goal Three: Safe and Secure Community**, Durham County continues to lead the way in innovation at the regional, state and national level. Our jail population continues to drop, with an average daily number of 489 detainees compared to 629 ten years ago as we continue to invest in prevention, treatment and diversion programs. The Misdemeanor Diversion program has been expanded from 16 and 17 year olds to 21 year olds and we continue see high success rates with this program. We have funded a public defender in addition to a district attorney in the jail court to assist with a more equitable and expedited process.

We expanded mental health services in the Detention Center and are supporting creation of a mental health pod. While the County continues to fund Drug Treatment Court, even when state funding was eliminated, we are now also providing funding for a new mental health court program.

Starting in 2016 and continuing on into 2017, Durham County has made a significant commitment to the struggle of stopping the unacceptable gun violence plaguing our community. In 2016, 40 people died of gun violence in Durham and more than 194 people were harmed by gunfire. The Durham County Public Health Department has launched the **Bull City United** effort, which follows the national **Cure Violence** model of treating violence as a public health problem and using public health strategies in response. We have hired former Durham gang members to work in their communities to help interrupt the cycle of violence, promote other options for conflict resolution and provide access to resources. Connecting people to jobs and opportunities in our community will be an important and necessary component of the success of the Bull City United program. Durham County is making a strong and long term commitment to stopping gun violence in our community.

In 2016, in **Goal 4, Environmental Stewardship**, Durham County built on its success of preserving more than 3,581 acres of open space and farmland by protecting both the George Tilley and Douglas Daye farms. These farmland conservation easements not only help protect our soil and water quality and help Durham County farmers afford to continue farming their land, but also contribute to the vibrancy of our local food economy.

Another cause for celebration was the completion of the Rougemont Water Project, a multi-year, \$2.5 million project, a collaboration with the Division of Environmental Quality, the Commerce Department, the EPA and Durham County Government. Nearly 40 households in Rougemont that were at risk from leaking underground gas tanks now have access to safe and clean drinking

water. This new community water supply may also support future commercial economic development in the Rougemont Village.

Finally, in **Goal 5: Accountable, Efficient and Visionary Government**, the hallmark of the past year was our 2016 property tax appraisal process. We had not completed a reappraisal in 8 years. Our tax office tried to make this as user friendly as possible for citizens by implementing an online appeals process with comparable property information also easily accessible to property owners. In addition, the county tax department has worked hard to make sure citizens are aware of helpful resources such as the Circuit Breaker Relief program, the Veterans and Disabled Tax Relief programs and the Durham County payment plan. In response to market changes since 2008 which saw some areas of our community experiencing extremely high percentages of increased property values while other areas of our community saw their property values decrease or remain unchanged, the Board of County Commissioners approved a 5.27 cent reduction in the property tax rate to implement a revenue neutral rate.

We continue take pride in the fact that Durham County is among a small number of the 3,069 counties in the United States to have a **Triple A** bond rating. This allows us to issue bonds, such as the ones approved in November, and finance projects at the most attractive rates.

We continue with the third year of implementation of our Managing for Results model where budgeting and decisions about service delivery and programs will be guided with data driven decision making. Guiding our decisions will also be data received from the second annual Citizen Survey which we conducted with Durham City Government. Through this survey, we learned that 61% of Durham residents are “satisfied” or “very satisfied” with the services provided by Durham County Government.

But we also learned that Education, Social Services, Taxation, Sheriff’s Protection and Communication are areas where we need to focus improvements. During the 2017-18 budget process and in the years ahead, Durham County Government will be challenged with making strategic use of our limited resources to target community priorities. Managing for Results and the Citizen Survey are some of the tools we will use to help us make these strategic decisions and investments.

I am happy to report that our county has also begun the process of refreshing our Strategic Plan which was adopted in 2012. Over the past couple of months, our staff has worked to meet with hundreds of citizens to seek their ideas and plan for the future of Durham County. This process will continue into 2017 and we hope that you will be engaged in this update. We need your input! Here is how you can be involved: Visit our website at www.dconc.gov/spr There you will be able to view our current plan, and share your suggestions on enhancing each goal area.

Durham County continues to lead the way in enacting family-friendly policies that help us attract the most talented workforce, support our children and families, and set an example for the private and public sector. The Durham County Board of Commissioners proudly enacted a 12 week paid family leave policy for birth and adoptive parents in 2016. In addition, we expanded our Donated Leave Policy to help employees dealing with personal health issues, or those of

family members and we added Veterans Day as an official Durham County holiday. We are also proud to support our families by adjusting our living wage policy so that as of January 1 of this year, all Durham County Employees make at least \$15 per hour.

I have just shared an overview of some of the highlights of the past year and what Durham County Government has accomplished.

We remain committed to the vision emblazoned on our Human Services Complex:

Durham's Vitality Is Built upon the Health of Our Residents and the Capacity of our Community to Foster and Enhance the Well Being of Every Citizen.

Now, and in the years ahead, Durham County Government will work to support and sustain the continued growth in our economy. But we must also work to ensure that this prosperity is equitable and experienced throughout all parts of our community. In order for Durham to remain competitive in our region, state, nation and world as a great place to live, work and play, we must continue to promote economic diversity in our economy and continue to invest in what is most important –our human capital- the people in our community. The people of Durham are our greatest asset. It is the talent of our people- our ingenuity, creativity, hard work and ability to collaborate- that will help us continue to be a thriving county.

To Foster and Enhance the Well being of every citizen, we must continue to make strategic investments in areas such as education, public health, social services, mental health and workforce development. Durham County Government spends more than a third of our general fund budget on education, with more than \$134 million dedicated to education related spending last year. We provide the third highest in per pupil spending in North Carolina and we support the second highest local teacher supplement in the state.

Durham County has continued to increase local funding in the face of declines in state and federal funding for public education while we are challenged with the third highest number of charter schools in North Carolina. Specifically this means that more than 18% of our public school funding, nearly 1/5 of funding is now going directly to charter schools. The challenge ahead will be how to make best use of the education dollars that we have to improve education outcomes for our children.

Research has shown that high quality Pre-K education is the most effective strategy to ensure educational success for all children with every dollar spent giving a return on investment of \$7. We are learning that focusing on the birth through age 8 continuum for successful reading by third grade is critical. In April, we will hear the recommendations of the City, County, and Durham Public Schools Pre-K Task Force for a road map to implementing **Universal Access to Pre-K** in Durham. Understand that we will need all sectors of our community to come together to figure out how we can make this happen and make this critical investment in our children's future possible.

There is likely no project that is more vital to the future of Durham and our region as the **Durham Orange Light Rail and Durham-Wake Commuter Rail Projects**. As we look toward the future and how we will manage the more than 1 million additional people expected to move to the Triangle by 2035, we must provide ways for them to get to jobs and places for them to live in a way that provides transit options, helps decrease traffic gridlock, as well as mitigates

the negative consequences of sprawl and traffic to our water, air quality and open space. The quality of life in our region is already being impacted by traffic on I-40, US 70, 147, 54, 15-501 and 85 as people are making decisions about where they work, live and play based on existing traffic conditions.

The **Durham Orange Light Rail** will provide a fixed corridor to create the high density mixed use development we need to manage growth and preserve and enhance the high quality of life in our area as well as provide an affordable and effective way to connect our major education and job sectors of UNC, Duke, downtown Durham, NCCU and eventually downtown Raleigh and NC State. Our ability to connect our major research institutions and cities will be inextricably linked to our ability to continue to be the hub of innovation, new technology and entrepreneurship in the areas of biosciences, clean tech, medicine, information technology and so many other areas, that is the life blood of our region. More than 30% of Durham County residents work in Wake or Orange Counties, and more than 40% of those who commute to jobs in Durham each day are from Wake and Orange Counties. The Durham Orange light rail route serves an area where currently less than 50 % of the residents have access to a car, and a majority of residents are considered low income. With 16% of Durham citizens still living in poverty, light rail will be an integral part of our strategy to connect people to living wage jobs.

Next year and the years ahead, it will be vital that Durham County works closely with our Orange County partners to ensure successful implementation of the Light Rail project and take the first steps toward our Commuter Rail Line with Wake County. We are the fastest growing region in North Carolina and our successful growth in the state, national and world economy will depend on our ability to work with our regional partners to implement our transit plans.

With transit a necessary part of our future, so is affordable and workforce housing. More than 50% of Durham residents currently spend more than 30% of their income on housing which is considered beyond what is economically sustainable. In the coming year, Durham County government will be evaluating our 300 and 500 East Main Street parking lots, to see what type of public private partnership options we have to support mixed-use development that includes affordable and workforce housing in downtown Durham. This process will include public engagement and getting direct input from you, the citizens of Durham, to help guide us. We want to support the creation of affordable and workforce housing in Durham. We want to do what we can to ensure that people of all incomes have the option to live downtown and near light rail stations.

In 2017 and the years ahead we must also focus on our two of our growing and most vulnerable populations- our disconnected youth and our seniors. The Senior Population in Durham is currently 16% and will increase by 42 % in 2025. In 2013, nearly one in five of our seniors were living below the poverty level. A majority of our seniors still live independently and want to be able to stay at home and age in place, which is the most cost effective approach to service delivery for seniors.

Durham County supports the work of the Durham Center for Senior Life to help meet the needs of our seniors and co-sponsored our **Second Annual Aging Well in Durham Conference in 2016**, but we will need to do more. Very soon, I hope that we will join our neighbors in Wake and Orange Counties in taking the first steps for Durham County to be designated an **Age**

Friendly Community by AARP and the World Health Organization so that Durham is known as a great place to live for everyone whether you are 8 days or 88 years-old.

Over the past several years, Durham County has been involved in many key efforts to focus on young people of color, overcoming barriers to jobs and strengthening our education to work pipeline. We will continue to participate in programs such as **Made in Durham, My Brother's Keeper**, and the **Mayor's Transformation in Ten initiative**. It is critical that we work with all of our partners to better align our educational programs starting in middle and high school with Durham Tech and our local universities to align with the skills and training required for the jobs in our region now and those projected for the new future. Durham County government must also continue to work with our community partners on strategies to overcome the barriers to education and employment such as lack of access to child care and transportation or a criminal background and the impact of implicit racial bias.

It is also imperative that we have a broad base of jobs that can provide a living wage with varying skill, training and education requirements. With this goal in mind, Durham County is partnering with the City of Durham to create a new **Industrial Park in East Durham** with a focus on advanced manufacturing jobs. With the construction of the East End Connector, and road improvements planned for Highway 70, there will be new economic opportunities on the horizon for the Eastern portion of Durham County.

I will conclude by saying, the future is bright for Durham County! Despite what is happening at the state and national level that may be beyond our immediate control, there is still much that we CAN do here in Durham County.

We have tremendous assets and resources. We are a caring community.

We will continue to be a community that is committed to economic and social justice. We will not tolerate discrimination against any group of people based on race, sex, gender, age, religion, class, sexual orientation, country of origin or ethnicity.

With more than 10% of our population comprised of immigrants and foreign born, the second highest level in the state and the highest level in the Triangle region, we welcome those from throughout the world who come to Durham for safety, to study, to work, and who contribute to the fabric and richness of our community with their art, music, language, customs, food, ideas and hard work.

Durham County Government will continue to value and celebrate the diversity of our community. Next year, and in the years ahead, Durham can, and will, be a beacon of light in our state and nation. Durham is and will continue to be a County of Inclusion.

Thank you so much for your attention and your support.