MAYOR BRENDA HALLORAN’S 2013 STATE OF THE CITY ADDRESS

Thank you for being here with us today for my annual State of the City address. And thank you Josh for that wonderful introduction. The Mayor for the Day contest is one of the highlights of my year – it’s rewarding to see so many grade 5 students are interested in local government and eager to learn more about my duties as mayor.

I loved Josh’s contest entry. It was inspiring, creative and funny, and I’d like to take a moment to share it with all of you.

[Play Josh’s Mayor for the Day submission]

Congratulations again Josh – I know you’ll be a great mayor. The youth of today are our leaders of tomorrow. It is critical that we create a community for future generations to enjoy, and I believe we are on the right track to making this happen.

If Josh were to take over mayoral duties today, he would find this is a city rooted in its rural Mennonite farming past but celebrating several breakthroughs that have landed us on the global stage.

We enjoy a strong economy because of low unemployment rates, the best post-secondary institutions in the country, stable housing and real estate markets and low consumer and business bankruptcies.

We have been ranked among the top 20 startup hubs in the world because of the thousands of jobs and millions of dollars our startup companies generate for our economy.

And because of these and other achievements, we have been earmarked as a growth community by the Province of Ontario. People are drawn to this city for all it has to offer. Our ability to reinvent ourselves and to diversify our economy has made Waterloo a city of choice to live, work, learn and play.

But what exactly have we done to make such a bold statement? I believe the strength of our city lies within the pillars of our economic vitality: technology, knowledge and education, finance, manufacturing, opportunities and culture. These pillars empower us
to weather financial storms, retain our current population, attract newcomers and grow a city worthy of global recognition.

**We are technology**

It’s no secret to the people in this room that we are known for technology. The invention of the BlackBerry has thrust our community into the global spotlight ... and for good reason. Formerly known as Research In Motion, BlackBerry has experienced success beyond measure – no small feat that has served our city well. BlackBerry is a very important local organization that continually gives back to our city ... it’s truly an example of a great community partner. Plus, I love my BB10 – I can’t wait to see what they come up with next.

Running alongside this technological giant are Teledyne DALSA, Descartes, OpenText and the Accelerator Centre, among many others. So much is being accomplished right here in our backyard.

OpenText is always one of my favourite good news stories. What started out as a spinoff out of the University of Waterloo has become the largest independent provider of enterprise content management in the world and one of Waterloo’s top employers for 2013. With more than 20 years of operation under its belt, OpenText is one of our most successful flagship companies.

The Accelerator Centre, meanwhile, is an award-winning centre that cultivates technology entrepreneurship. Over 80 per cent of its graduates remain in our community. Two examples are Kik Interactive and Magnet Forensics.

Kik Interactive was launched in 2009 by a group of UW students. Over 40-million people use their product, Kik Messenger, a messaging service geared towards the younger generation to use on their iPods or smartphones.

Magnet Forensics assists police services with crime investigations by recovering Internet-related evidence on computer hard drives. They have over 1,000 customers, including the OPP, New York City Police Department and even Scotland Yard.
But why are we one of the premier destinations for startup companies? It begins with our strong entrepreneurial spirit. Our municipality, business community and education institutions attract some of the youngest and brightest, helping us differentiate ourselves as a leader in the Canadian business world. The spinoff companies founded by our graduates and professors helped drive a software and hardware-building revolution, turning this area into “the Silicon Valley of the North.”

Waterloo is seen as a leading model of an innovative community, which stems from UW’s intellectual property policy. It triggered a wave of entrepreneurship that propelled the technology and innovation culture into our community – coupled with the business acumen that Wilfrid Laurier University is renowned for, we have a recipe for entrepreneurial magic!

**We are knowledge and education**

In my opinion, a love of knowledge and a sound education are key elements of a fulfilling life, and I am thankful our city provides that foundation for so many people.

UW has been ranked Canada’s most innovative university for the past 21 consecutive years and boasts the first and largest co-op education program in the world. Plus, 22 per cent of all spinoff Canadian IT companies were launched from its incubator programs – what a telling statistic.

Laurier is a leading Canadian university whose popularity is about to skyrocket thanks to its Global Innovation Exchange. Slated for construction in 2014, this exchange will allow the university to meet the growing local and global demand for business and math programs.

We are also proud that Conestoga College has a campus here. Almost half of the regional population has participated in training and education activities at Ontario’s leading college. I certainly have fond memories of my days at Conestoga.

Turning to our research institutes, we’re home to the Balsillie School for International Affairs, the Centre for International Governance Innovation, the Perimeter Institute and, most recently, the Mike and Ophelia Lazaridis Institute for Quantum Computing and Nanotechnology, among others.
When the Perimeter Institute was founded by Mike Lazaridis in 1999, not much was known about theoretical physics. Year after year, however, we have seen the quality of its research rise. This was illustrated in a recent study that showed Canada ranked first in citation impact in physics among G8 countries in 2010; without Perimeter Institute, it would have ranked fourth.

Stephen Hawking, as you know, is one of the most brilliant theoretical physicists in history. He is also the Perimeter Institute’s distinguished visiting research chair, so I believe him when he says that the “Perimeter Institute is now one of the world’s leading centres in theoretical physics, if not the leading centre.” The scientific research and breakthroughs coming out of this facility will undoubtedly change the way we view the world – science so powerful that we may once again be thrust into the global spotlight as Quantum Valley.

And speaking of Quantum Valley, I am delighted by the announcement this week that BlackBerry co-founders Mike Lazaridis and Doug Fregin recently launched the Quantum Valley Fund. This is a $100-million private fund to advance the development of breakthroughs in quantum information science. This investment will create new industries focused on science and solidify our reputation as a world-class centre for quantum computing.

Quantum computing, ladies and gentlemen, is no longer a dream, but a reality that is going to pay significant dividends to this community in the near future. The contributions Mike Lazaridis has made to both of these research institutes will transform Waterloo and the world.

**We are finance**

Finance also plays a key role in our economy, with several major players in the insurance and financial services industries located within our borders.

The revitalization and success of our uptown core is due in large part to major financial institutions setting up offices there – they recognize the stability and strength of our city.

Insurance giants like Manulife Financial, Sun Life Financial, Equitable Life of Canada and Economical Insurance also have offices in Waterloo. Together, they employ about
7,500 people in our community and have contributed to our moniker, the “Hartford of the North.”

Over the years these insurance companies have developed strong community partnerships to enhance our quality of life. Sun Life Financial has sponsored the Waterloo Busker Carnival for many years. Meanwhile, Manulife Financial sponsors the Manulife Financial LPGA Classic at Grey Silo Golf Course and is the namesake for the Manulife Financial Sportsplex and Healthy Living Centre at RIM Park.

Speaking of the LPGA, last year’s inaugural event truly shone an international spotlight on our city. About 66,000 people came out to watch the event, which generated $20 million in revenue for our local economy.

This year, the event will run from July 10 to 14 and tickets are on sale now at www.manulifeclassic.ca. I’d like to thank the organizing committee for its generous donation of two any-day passes that we will give as a door prize later this morning.

**We are manufacturing**

We have an extensive manufacturing background dating to the early 1800s. Food production was the mainstay for our founding Mennonite fathers and while we still see glimpses of our heritage at local markets, we have come a long way with companies like Piller’s, Martin’s Family Fruit Farm and others leading the charge.

Everybody knows about the Toyota plant in Cambridge, but have you heard about our city’s contribution to the auto industry? The Waterloo Centre for Automotive Research at UW is one of Canada’s premier automotive research centres and serves the broader regional and global economy.

And let’s not forget BlackBerry. One of its manufacturing facilities is on Philip Street, right here in Waterloo.

A great support to the manufacturing industry is the MIN, the Waterloo Region Manufacturing Innovation Network. This online resource facilitates collaboration and helps businesses self-promote and connect with other local suppliers instead of searching the world over for raw materials and services.

Manufacturing is alive and well in our city and we will continue to support this industry to remain competitive nationally and internationally.
**We are opportunities**

Now to opportunities … and there are many in Waterloo.

Land development is booming in our city – look to the skyline and you’ll see construction cranes in just about every direction. We currently have 10 cranes in operation and our building permit value is strong with about $387 million in construction value generated in 2012. Council recently approved a phase-in of the development charges increase over a three-year period to ensure we keep this vital growth in our community.

Other steps we are taking to stimulate fiscal growth include the creation of an economic development reserve and a recently approved tax increment grant that will encourage the redevelopment and intensification of underutilized lands and buildings around the city.

You may have read about the development of the former NCR lands at Northfield and Weber. This exciting multi-million-dollar project will see office space, a data centre, restaurants and maybe a hotel. It also has the potential to create about 4,500 jobs.

Development opportunities like this contribute to our historically low unemployment rate. In 2012, Waterloo Region’s unemployment rate was 6.6 per cent compared to the provincial average of 7.8 per cent, and we currently have more than 1,000 open tech positions.

Something near and dear to my heart is the work we are doing to attract medical professionals. The Boardwalk on Ira Needles includes a state-of-the-art medical facility that will open this fall. And the Schlegel Learning Research Innovation Centre will be built next year on UW’s north campus. This long-term care and research facility will help our city and the province prepare for and support our aging population.

**We are culture**

Culture is the heartbeat of our community. And we acknowledge the importance of cultural development – that’s why we’re working on a plan to guide us in this field for years to come.

Our uptown is an urban escape with the public square at its core. The square is a vibrant gathering space for the community to host and participate in high caliber events and festivals. Cultural institutions such as the Clay & Glass and the Waterloo
Community Arts Centre bring the arts together, while the stories of our heritage are captured at the City of Waterloo Museum.

And now we can boast about the Creative Enterprise Initiative Studio, which acts like an Accelerator Centre for the arts, offering discounted studio space and support for arts entrepreneurs.

I’m always amazed at how many sporting events take place in this city. For starters, the 2013 Ontario Scotties Tournament of Hearts women’s provincial curling championship was held at the Granite Club in January. This year, RIM Park will host several first-class events including competitions and provincial championships in volleyball, speed skating, ringette, basketball and figure skating.

A favourite destination for our residents is Waterloo Park. Thanks to a federal government grant, this jewel of our city will undergo upgrades in the near future. And then there’s the Stork Family YMCA and the John M. Harper branch library. This facility has brought these important services closer to our west-side residents, making it easier for them to access recreational opportunities and the library.

Certainly an important component of our culture is our focus on fostering healthy and safe neighbourhoods. At a municipal level, we provide such quality services as clean drinking water, snow removal and fire protection, while aiming to grow more inclusively. Our city remains among the safest in Ontario and we will continue to work with community partners to build and maintain strong, safe neighbourhoods.

We truly enjoy a vibrant lifestyle - people move here and stay here for a reason!

**We are forward thinking**

Waterloo is a destination of choice for thousands of people. I truly believe our residents, students, city staff, councillors, businesses and volunteers all contribute to this success. But we can’t rest on our laurels; we must always think about the future and how we can overcome challenges. And there will be challenges.

The Region of Waterloo estimates our city’s population will exceed 150,000 in 2031. This growth will demand a shift towards intensified development, more sustainable methods of transportation and infrastructure upgrades.
These challenges are not unique to us – they are faced by other municipalities across Ontario. That’s why we’re actively planning and laying the groundwork to address this deficit. For starters, we have created a cross-functional team to identify the needs of our city as well as funding requirements. We surveyed residents about our road and facility conditions to understand your feelings about the level of service we provide and how our funding is allocated. We are also committed to building our reserves so we can fund unexpected emergencies.

Right now our infrastructure needs are estimated at $250 million. This figure may sound high, but it’s realistic when you consider the resources needed to provide clean drinking water, working sanitation systems, safe roads and building infrastructure.

Intensification is a reality for us simply because we are growing out to our borders, which impacts how we live. The BarrelYards at Father David Bauer Drive and the condo development at Park and Allen streets provide urban lifestyles that will alleviate some of the stress on our borders while contributing to the vibrancy of our uptown. But this type of rapid development can put a strain on our infrastructure. The Laurel trunk sewer, for instance, is already at capacity. We are upgrading it to accommodate population growth and to mitigate any potential flooding problems in these areas.

Guiding us along the way is our official plan. This document was approved by council in 2012 and helps us maintain our quality of life in a manner that balances the needs of residents with our ability to provide quality service. Collaboration is key to solving the practical challenges of growth and we look forward to moving ahead in the direction established by our community through council.

We also are making strides to improve local transportation. The light rail transit project is getting underway and we will work very closely with the region to carefully monitor the changes in traffic patterns and impacts on local streets.

And we’re striving to meet the needs of our avid cycling population. Since we won the silver Bicycle Friendly Communities Award in 2011, we have made significant progress to our local transportation corridors. Cyclists enjoy 130 kilometres of trails, 50 kilometres of on-road bike lanes and our first ever “complete street.”
The challenges we face didn’t develop overnight, and they certainly won’t be solved tomorrow. But we will continue to review our funding options and explore opportunities for creative solutions. And in my opinion, finding creative solutions is one of our specialties.

Top of mind is our neighbourhood matching fund. This creative program is back for a second year in a row because it truly makes a difference at a grassroots level. The advantages are two-fold – it allows citizens to take ownership of projects that ultimately benefit the city and it allows us to increase capacity and solidify community relationships.

Then, last year we were awarded the IBM Smarter Cities Challenge grant. This three-year $50-million competitive grant program is IBM’s single largest philanthropic initiative. We were one of 31 cities around the world, and one of only two communities in Canada, to receive this prestigious award, which will allow IBM’s experts to provide recommendations for an action plan to rehabilitate and reinvigorate the Northdale neighbourhood.

Supporting all members of this community is important. That’s why I’m pleased we are working on an older adult recreation strategy to meet the needs of our aging baby boomer population. This strategy will complement the work we do as an Age Friendly City – a prestigious designation awarded to only four cities in Canada and 42 in the world. I am so proud Waterloo is among this celebrated group.

Going forward, we will continue to make tough choices on spending. Our tax increases are among the lowest compared to our neighbouring municipalities, increasing only 1.6 per cent in 2012 and 2013 combined, after taking the stormwater phase-in to a user fee system into account.

As a municipality we are in the service delivery business and we recognize that employee costs make up a large component of our operating budget. Our goal remains ensuring balanced agreements that respect the needs of our employees, as well as you, the taxpayer, whom we ultimately are all here to serve.

It is also important to note that our municipal debt load has been on a steady decline for the past three years. In 2010, our debt stood at $78 million; in 2011 it decreased to $70
million; and at the end of last year, it was $63 million. This decline is due in part to the tenacity and smart choices this council and our city staff make every day, as well as our dedication to living within our means. The challenge, however, lies in maintaining our quality of life and preparing for the future. Positioning our city for further intensified growth depends heavily on adequate infrastructure and a superior lifestyle. We will continue to maintain modest tax rates that are fair and provide services at the level you have come to expect. We will also continue to place an emphasis on transparency -- there is more financial information on our website than ever before.

Globalization makes it more important than ever to maintain and enhance our quality of life so we are an attractive place for foreign investment, startups and a place where families are comfortable planting roots and building a future.

**We are well positioned for the future**

So what does the future have in store for us? As mayor, I am taking steps to ensure Waterloo remains a desirable community from an international perspective – that’s why I have traveled to China and India to promote our competitive advantages. Companies there have expressed interest in our food and water expertise and technology, our innovation ecosystem and our reputation for software and academia. I am working closely with our friends at CTT to follow up on several promising leads and to secure a business relationship and future investments from these countries.

Our relationship with China is stronger than ever. In July 2012 I became the first mayor in Canada to blog on China’s popular Weibo site. We now have over 21,000 followers, many of whom have inquired about education and development opportunities here.

Closer to home, our new website is just over two months old and continues to draw many positive reviews. One of the most successful aspects of this project was our commitment to public engagement. We listened to our residents and created a website that puts the information and online services they need right at their fingertips.

Speaking of online services, have you heard about PingStreet? If you haven’t already, download this app on your BlackBerry device. We developed PingStreet with eSolutions and BlackBerry to provide residents with real-time access to everything from garbage days, to reporting a problem, to contacting elected officials and more. PingStreet is the only complete municipal app of its kind and I am delighted that we played a role in its development.
As I was putting the finishing touches on my speech, it really hit me that we all play an important role in making Waterloo the great city it has become – each and every one of us. It is a city with a treasured past, a dynamic present and a bright future. It is a city that future mayors will be well positioned to lead because of its strong foundation and strategic plans for the future.

When Josh grows up and becomes mayor, he will lead a city that fosters home-grown solutions; that has a diversified local economy; that is an intelligent community built on technology, knowledge and education, finance, manufacturing, opportunities and culture.

When Josh becomes mayor, he will govern with passion and a proud heart because he will be leading the great City of Waterloo. I know this from experience.

Thank you for joining me today.