MAYOR COREY O'CONNOR'S STATE OF THE CITY AND BUDGET ADDRESS

City Council President, Council Leadership and Members; City Clerk and members of the Clerk's Office; Controller; members of my cabinet, Mayor's Office staff, colleagues and members of the community – I am honored to stand here as your Mayor to report on the State of the City and present my 2027 budget.

My responsibility and promise to Pittsburgh is to be honest about the difficult financial situation that the City is facing. These are challenges that will require careful management and a commitment to our taxpayers. We will focus on the things that will move our city forward like delivering core government services and making strategic investments in people and in places to build a brighter, stronger, and more equitable city.

I want to be clear that we are going to keep investing in our communities and the future of this city.

Last week's midterms only made me more confident that we will be able to do that. Tuesday was a win for our collective voice. It will allow us to do things that we haven't been able to do for 30 years – working with Harrisburg and DC to secure investment, opportunity and lasting change.

This means more funding for housing all across the city, building on the $10 million we secured from the state for housing this year. It means taking a hard look at our infrastructure needs and finding ways to invest in more of our bridges. And it means bringing more funding into our small business districts to support entrepreneurs and create new jobs.

It was important that we hit the ground running so that we could be prepared to seize on these opportunities that will help us build a city that works for its residents by delivering the core government services that every family deserves and by focusing on the details that make a big difference in the day-to-day lives of our residents, because details matter.

We saw the dramatic effect of years of not investing in our fleet. We heard the stories of EMS trucks breaking down to and from calls and firefighters having to respond in substandard vehicles. In January's historic snowstorm, we had 37 Public Works trucks

go down. That is unacceptable. A City that works for its residents needs vehicles that they can rely on.

So, I went out and found partners to help invest in our fleet. Thanks to $25 million from UPMC, $20 million from Highmark, and $2 million from PNC, by the end of this year we will have received 48 new snow trucks and new snow equipment for 22 existing trucks. We have ordered 9 ambulances, 1 EMS Rescue Truck, and 13 new fire trucks. Additionally, this year we are getting 11 new Environmental Services trucks. Thanks to this investment, our city workers will have the reliable vehicles they need to best serve our residents – and we are committed to maintaining them.

We are focusing on our neighborhoods because we want people to have pride in their community. Residents shouldn't have to live next to blight like overgrowth, illegal dumping, and litter. That's why this year, we've nearly doubled our clean and liens – meaning that Public Works has cleaned up over 700 blighted properties in our city. Thanks also to PLI, who will have demolished 150 blighted properties by the end of this year.

We are also focused on things that connect our neighborhoods like streets, trails, sidewalks, and bridges.

Every Pittsburgher deserves accessible infrastructure and that's why we've paved almost 30 miles of road, installed 805 handicap ramps along streets and sidewalks, and repaired retaining walls.

We were also able to put funding into providing direct services for our older neighbors and residents with disabilities. Funding for the City Cuts program was restored, allowing us to help 500 neighbors and support 10 local contractors. And our Office of Community Affairs helped nearly 400 households get the help they need through the Snow Angels program – we saw hundreds of residents step up to help their neighbors.

Youth & Families

Like many of you – my wife Katie and I are raising our two young kids here and we believe that Pittsburgh should be every family's first choice. Putting families first is critical to reverse population decline and encourage growth. It allows our city to keep and attract workers whose spending, home buying, and taxes help stabilize the local economy. That's why my administration has been investing even more in parks, rec centers, and programs for youth and families.

We didn't do this alone - I went out and created a partnership with the Pittsburgh Pirates, who donated $300,000 to transform 21 ballfields across the city, while our in-house crews laser-graded 13. Thanks to this work, our youth softball and baseball teams had less rainout games.

I also worked with the Laborers International Union, who gladly stepped up and donated $300,000 to add 14 new scoreboards to our neighborhood fields.

We've repaired and replaced water fountains across our parks. We have brand new tennis, basketball, and pickleball courts across the City thanks to Public Works – like the new courts at Moore Park in Brookline.

I've long said that our City recreation centers are important community assets – they provide free after-school programs, summer camps, meals, education, and programs for kids and parents across the city. As of September, we've had around 28,000 check-ins at our rec centers.

We created the Director of Youth and Families and already this year, we've opened the rec centers on days when public schools are closed so that parents don't have to miss a day of work. And we just announced a partnership with the Steelers and Giant Eagle, who are providing free lunch on these days.

CitiParks is working on even more partnerships to bring new programs to our rec centers that are free of cost to families. We've partnered with Steel City Squash at Paulson, guitar lessons at Magee, and the Zoo and MCG Youth will be visiting our centers.

Our Summer Learn & Earn has served over 15,000 youth. I worked with the Richard King Mellon Foundation, who donated $1 million, and the City put up $1 million to expand the program year-round. And by the end of this month, 126 young people will have started jobs. The reality of this is that some of these kids aren't just supporting themselves, but also their families. It gives teens the opportunity to get job experience and earn a paycheck. Like NyAsia from the North Side, Jania from the Hill District, and Lamya from Sheraden, who worked at the Ebenezer Outreach Pharmacy Tech program – they now have the skills to work in the healthcare industry.

Every one of these jobs is a young person who can build their future here in Pittsburgh. And it's our job to build a safe city where they can thrive.

Public Safety

Community safety is one of our top priorities. My administration wanted to bring consistent and strong leadership at the top, which is why Public Safety Director Sheldon Williams and Police Chief Jason Lando were among my first appointees.

Since returning, Chief Lando worked with Office of Community Health & Safety Assistant Director Laura Drogowski to bring back the co-response program where social workers are paired with police to help make sure our most vulnerable residents get the help they need. Since May, they have answered more than 400 calls in every Police Zone – for example, a young man was experiencing a mental health crisis. The co-responder stepped in to de-escalate, worked with him, and helped him get support. The co-responder helped get him into an employment training program, which he completed and I'm happy to report that he just started a full-time job last week.

I also want to recognize our newly sworn-in Fire Chief Mat Davis. This year, Chief Davis started the very first Citizens Fire Academy – a great program that connects community members with our firefighters.

And, of course, our EMS Chief Amera Gilchrist. We are proud that our EMS is the first in the state to administer life-saving whole blood transfusions, which increases survival rates. Additionally, in Q3 alone, our amazing EMS personnel saved the lives of 11 of our neighbors who were experiencing cardiac arrest.

Our partners have stepped up in a big way to help make investments in public safety so that when someone in Pittsburgh calls 911, our world-class first responders have what they need to help. We talked about the fleet earlier, but thanks to our partnership with UPMC, we also now have life-saving trauma kits in all of our police vehicles. Within the first week of having these kits, Zone 2 officers used them to save the life of someone who had been shot, which shows just how critical these resources are when seconds matter.

We know that the most effective public safety is both responsive and proactive.

For the first time, we have hired a Violence Prevention Team made up of people who know our communities, know our kids, and have been doing violence prevention work for years. This team has already gotten national attention for being a model for community-based violence prevention. I want to give them a special thank you to Reverend Cornell Jones, Assistant Public Safety Director for Community Affairs. And our Violence Prevention Specialists: Twan Bailey, Rianna Graham, Vaughn Rivers, Ian Reynolds, Taili Thompson, and Ayodeji Young.

Our Office of Community Health and Safety has been on the frontlines of helping our most vulnerable neighbors. Like a man who had been unhoused for a decade.

He didn't trust the system, kept to himself and refused to go to a shelter for years. Our OCHS staff worked to develop trust with him and with his permission, OCHS reconnected him with his family, where he is today.

We also know that crisis doesn't just happen during normal business hours. That's why we've secured funding from the County to expand our ROOTS program to evenings and weekends. Already this year, ROOTS has distributed over 22,000 pounds of food from 412Food Rescue and helped close 10 missing persons cases.

These are the kinds of stories that show the real impact that public safety has within our communities. This is the foundation of our neighborhoods, and continued investment in growth is how we build a stronger Pittsburgh.

Growth & Economic Development

Our City needs to grow. That is why we're trying new ways to say "yes" to making it easier to grow here.

Being pro-growth means more housing, more community investment, more small businesses, and more jobs. Pittsburgh has all the ingredients necessary for economic success – we have talent, we have space, we have the work ethic, and we have what it takes to support innovation.

We have to tell the Pittsburgh story and that's why we've been aggressive in selling Pittsburgh. We're picking up the phone, visiting shops, listening to what they need, and following through.

Since January, I've personally made over 400 calls to businesses. That includes calling local companies to say thanks for choosing Pittsburgh and seeing how we can help. For example, the 77 Club in Garfield that made the leap from food truck to brick and mortar. Our economic development team connected with them and helped them navigate the permitting process.

Bringing companies here and helping businesses stay here means more jobs for Pittsburghers.

But we know that for a long time, it's been hard to do business here, and a big barrier to starting a business or building more housing was our permitting and zoning systems.

My administration has been focused on permit and zoning reform since day one. This isn't about large-scale developments – this is about people like Shauntel, a small

business owner in Homewood that we met back in February who was stuck in a web of complicated permits. Our team has worked closely with her and she has all of the permits she needs to open her restaurant.

That's why we're completely rewriting the permitting process. In just 11 months, we've reduced the median time it takes to get a permit by 67% – from 21 days to 7 days. People getting home improvement permits used to wait over a week, but they can now get those permits in as little as 1 business day. EZ permits went live in September and we've already issued nearly 400 within one business day of the application and around 30 on the same day.

Two weeks ago, I signed two Zoning Reform packages to start updating our zoning code to make it easier to build and grow. And soon, we're going to start a complete re-write so that our code meets our modern needs. Because this is how we build more housing. This is how we make it easier for our small businesses that have razor thin margins to open and stay open.

This work would not have happened without the incredible staff and leadership at PLI, City Planning, Zoning, and DOMI. These teams have dedicated countless hours to seeing this vital work through.

We know that we need housing – especially affordable housing – all across the city. Right now, there are over 1,300 affordable units currently under construction in partnership with the URA. So far, PLI has issued permits for the construction of 914 housing units and Zoning has approved over 3,600 units.

We have to keep building and we have to create opportunities for affordable and accessible homeownership – and we have a vision for that.

We're starting in Larimer, where we have hundreds of City- and URA-owned properties. These are vacant lots where people used to live – and people can live there again. One of the barriers to building new housing is the expensive site work. So, I went to Governor Shapiro, the State Senate and the State House and secured $10 million so that the City will pay to prepare the sites and make them shovel-ready. Now, we're making building a house more affordable for community-based builders and we're creating affordable homeownership that will allow families to build generational wealth.

Housing is just one piece. Residents and families also need a corner store, a coffee shop, and a place to gather, which is why we're investing in our neighborhood business districts.

Every neighborhood has a Main & Main – that place in the community that attracts business, transit, housing, and amenities. Through our Main & Main strategy, we want to create a toolbox of resources.

As an example, we expanded the commercial facade program, which this year alone has already helped 78 local businesses update their storefront. These are all across the city – from Frick Park Market in Point Breeze to Hen House in Allentown and the Oyster House in Market Square. They will all have brand new facades to bring vibrancy to their business.

The URA closed on a total of $3.9 million in support for small businesses across the city. On top of that, the URA also helped secure $12 million in New Market Tax Credits to bring health resources to Homewood by partnering with Primary Care Health Services.

This is how we build pride and vibrancy in our neighborhoods. There's one neighborhood that's especially critical to the growth of our region – and that's Downtown.

Downtown

Recently, the *Pittsburgh Business Times* reported that the top 20 Downtown office buildings have seen their assessed value drop $111 million in just one year. That's money we can't afford to lose. Downtown generates 40% of our real estate taxes, which is our biggest source of revenue overall. To put it plainly - when Downtown real estate values drop, we lose revenue, but when Downtown succeeds, that means the whole city sees increased tax revenue to invest in parks, playgrounds, programs, and services.

With state and local partners, we're reinvesting in Downtown as a neighborhood. We've broken ground on a total redesign of Smithfield Street. We're looking at new artistic lighting, a destination restaurant in Mellon Square, a transformation of Boulevard of the Allies, and new funding models to get housing conversions over the finish line.

Like I said, this is about selling Pittsburgh and putting Pittsburgh on the map. In April, we hosted a record-breaking NFL Draft that put us in the international spotlight. It brought people and companies here, but it also showed us what we can accomplish when we work together.

State of the Budget

Right now, we are at a pivotal moment. As Mayor, Council, and Controller, we have the opportunity to save and strengthen this city.

I was here when we were in Act 47 and I was here when we came out of Act 47. The way the budget has been structured for the past several years is a big reason that we're facing these challenges. We can't afford to kick the can down the road for someone else to deal with. If we don't change course, that would mean cuts to our basic services – like no resources for kids, no park maintenance, no funding for playgrounds, and no weekly garbage pickup.

Starting with this budget, we must bring back strong financial responsibility. It is going to take decisive leadership, putting the future of our city ahead of politics, and making tough decisions. This budget eliminates numerous vacant positions and we had to deny hundreds of department funding requests. We will need to implement true outcome-based budgeting to focus our work on the most essential services and programs that benefit our communities.

We have relied too much on funding key positions using money that we knew was going to run out – like grants and funding from Biden's COVID recovery funds– and we didn't have a plan for funding those positions long-term. On top of that, the Trump Administration is continuing to cut federal funds for programs that benefit our communities – leaving the City to foot the bill.

My budget does not propose any new taxes on City residents. This is a tough time for households with costs going up everywhere. We need to build partnerships and bring others to the conversation.

That's why I've gone out to find partnerships and so far, we've raised almost $100 million in support from corporations, unions, universities, nonprofits and philanthropies that have stepped up.

But we need our partners in Harrisburg and D.C. to help now more than ever.

Investments in the 2027 Budget

In this budget, we are proposing using $28 million from the rainy-day fund to cover our deficit. But in the budget, you'll see that we are continuing to invest in Pittsburgh.

You'll see that we've made grant-funded positions permanent by moving them into the operating budget.

You'll see that we are transferring millions of dollars to the URA to continue investing in affordable housing, homeownership, and small business development.

You'll see we're continuing to put money into violence prevention, fleet, maintenance, public safety, snow removal, paving, landslides, stormwater mitigation, and preserving fundamental city services.

You'll also see around $10 million for parks and playgrounds, $9 million for rec centers, and we are doubling our investments in sidewalks and curb ramps.

To all of our city employees – I want to thank you. We're going to be asking you to do more with less and I do not take that lightly. It's my intention to reach a balanced budget and replenish our rainy-day fund. It won't be in 2027 and it might not be for a couple of years.

It's going to take strong leadership, attention to detail, partnerships and a commitment to investing in the growth and future of our communities.

To our residents – I promise to continue being accessible. The Mayor's Office isn't just on Grant Street – it's in your neighborhoods, at your parks, and at your community events.

State of the City

And so, I stand before you today to report that yes, we've got some budget challenges, but the state of our City is strong. We are Pittsburgh. We are hardworking; we are resilient; we honor our roots while growing and reinventing ourselves; and we face our challenges head-on. We will be the city that families, small businesses, students, and entrepreneurs choose first. I believe an Esquire article summed it all up: "Pittsburgh Might Just Be the Most Dynamic City in America."

Thank you for allowing me to come here today, and I thank you in advance for your continued support and cooperation to accomplish our common goals.