

Pleasanton State of the City Address 2015

Good Afternoon. I'm pleased to welcome you here today for the State of the City address. I would like to thank the Chamber of Commerce for hosting this event, and all of you for joining us to hear the good news about the past year, and more good news about the upcoming year.

But first, let me introduce the other members of the Pleasanton City Council, a dedicated group of individuals that works diligently on behalf for our community and who, with the community's support, are responsible for the many successes that we have achieved. Each of them brings a unique background and perspective to the City, and I am so honored to work beside them all. Please join me in giving **Vice-Mayor Karla Brown** and **Councilmembers Kathy Narum, Arne Olson, and Jerry Pentin** a big round of applause.

I would also like to recognize the many commissioners and committee members who serve as advisors to your City Council, all of whom devote countless hours to the people of Pleasanton and provide guidance on so many critical issues, as well as our wonderful **city staff** led by **City Manager Nelson Fialho** for their many important contributions.

We also welcome the newest members to the City's Executive team, Fire Chief Ruben Torres, a skilled veteran who brings three decades of fire service experience to Livermore-Pleasanton Fire Department. Also, welcome to Tina Olson, our new Finance Director, who joins us from the City of Pittsburg and also brings a vast wealth of experience to her new position.

I would also like to acknowledge the recent promotion of Debra Gill to the Director of Human Resources and Labor Relations, and to our new Assistant City Manager, Brian Dolan who has been promoted from Community Development Director. Brian has played a pivotal role in creating some of the efficiencies in the development services arena and is committed to additional permit streamlining process so that we can move forward toward business growth and success in Pleasanton.

Last year at this time you will recall that we mourned the passing of our first elected and three-term Mayor--**Ken Mercer**. I told you that I would follow up on the many suggestions to honor Mayor Mercer's memory by re-naming our much-loved and much-used Pleasanton Sports Park in his memory. The Parks and Recreation Commission recommended this change and the City Council approved it. On September 3rd, what would have been Ken's 72nd birthday, we dedicated the Ken Mercer Sports Park. A fitting tribute to a visionary leader from the grateful city he loved so much.

2014 was a very good year for Pleasanton. Pleasanton received several notable accolades from national publications. *Money* magazine ranked Pleasanton number 31 on its list of *Best Places to Live*. Among the 50 topics they evaluated in choosing the cities for the list were public safety, the local economy, the housing market, healthcare, and schools. *Money* also ranked Pleasanton at number 9 on the list of *Top Earning Towns*, with a median family income of \$144,132.

Pleasanton was also ranked number 4 on the website 24/7 Wall Street's List of *America's 50 Best Cities to Live In*. The list was profiled in the business section of *USA Today*.

And that's not all. In late October, the consumer/finance website Nerdwallet.com included Pleasanton in its *Top 20 Best Cities for Young Families in Northern California*. Interestingly, according to the website datingadvice.com, Pleasanton ranked #14 on their list of the *15 Best Small Cities for Singles*. So, not only do we appeal to young families, we offer opportunities for single people to find Mr. or Ms. Pleasant-(on) at First Wednesday, the farmer's market, or Friday Concerts in the Park!

And just last month we snagged yet another ranking by *Apartmentlist.com*. Their research ranks Pleasanton the #2 best city in California for raising kids...and number 27 on their national list. Special attention must be given to two of the areas that achieved a high ranking from the formula used that placed Pleasanton on these lists.

Public Safety topped our list and we are aware that we have a police force and fire department that are dedicated to the well-being and safety of our community. Would all the Public Safety staff here today please stand, our police officers, firefighters, and EMT personnel....let's give them a well-deserved round of applause for all that they do for us every day!

We were also recognized for our schools. Pleasanton is fortunate to have an excellent administration, talented teachers, and an engaged community partnering together for the benefit of our students. Would our Superintendent of Schools Parvin Ahmadi and the Pleasanton School Board Trustees, and staff please stand.

While we are on the topic of education, I would also like to recognize Las Positas College and its many contributions to our city and region. The college partners with our school district to provide concurrent class opportunities for our high school students. It also serves a large component of our students who attend after high school with plans to transfer to a four-year college, and as a venue for continuing education opportunities for all. We are very fortunate to have such a high quality community college in our region and we thank the President and staff for all of their efforts.

2014 ACCOMPLISHMENTS

So, let's talk about 2014. We made great progress on one of our largest projects, advancing the Draft Housing Element of the General Plan towards State certification. In fact, just this month we received our State certification. A certified Housing Element is a significant accomplishment for every community in California. City Staff, the City Council, the Planning Commission and the Housing Commission worked diligently together to realize this goal.

The economy has picked up and the Bay Area has experienced an employment boom that is predicted to continue. In fact, more than 3-and-a-half-*million* new jobs were created over the past three years in the Bay Area in blue collar AND white collar industries.

We talked a little bit about how Pleasanton is a desired location for young people. Many of those young people grew up here in Pleasanton, and they too deserve the opportunity to raise their families in their hometown. In order to do so, they need an adequate housing supply to tap into.

I'm talking about real people, like Julie Foley who teaches English and is the Yearbook Advisor at Amador Valley High, her own alma mater. She lives here with her husband Tim, 4-year-old son and 2-year-old twin boys. Or Cole Payne, who graduated from Chico last year and works at WorkDay now. These people have an emotional attachment to Pleasanton, they grew up here and love our traditions...Hometown Holidays...Concerts in the Park...and the soccer parade, to name a few.

As a matter of fact, I understand that they have even developed a few Pleasanton traditions of their own. Seinfeld fans will remember Festivus, a parody holiday festival celebrated on December 23rd. A large and growing group of Amador High School alumni who used to call Fiesta Taco in the Mission Plaza their "hangout", celebrate "Fiesta-vus" on December 23rd of each year. It's their place to converge and visit with each other when they are home for the holidays. I hear it is also one of the biggest sales days of the year at Fiesta Taco. Good for them!

A lot of homegrown Pleasanton kids want to return here, many of them bringing spouses and young families to enjoy the traditions that they grew up with.

I think I have made it quite clear in the past that I am not a fan of having the State Legislature meddle in local land use issue and policies. We all know that the State and the courts handed us a bushel of lemons a few years ago. There were some hard negotiations that took place with those that sued us to retain our ability to apply local standards to project approvals and retain our PUD process. As a result I believe that our City staff, City Council and our commissions have been able to work with the developers, and neighbors to turn that bushel of lemons into lemonade.

So, we will face the challenges that this new growth brings, and keep in mind that it is the right thing to do because we are creating opportunity for a new generation of young people to make Pleasanton their home too. According to the U.S. Census, last year, there were more 22-year-olds than any other age!

To that end, we re-zoned nine sites for future multi-family housing in order to meet our State mandate of affordable housing units. Many of these sites are currently in progress, including the Essex Property Trust, formerly BRE Properties, on Owens Drive. There's also the 345-unit Auf Der Maur/Rickenback retail and residential development on Bernal Avenue, and the St. Anton Partners and Summerhill apartment complexes on West Las Positas Boulevard.

Our planners were also busy last year working with the California Center retail and apartments on Rosewood Avenue, and Township Square on Valley Avenue near Bernal Avenue. A diverse community is a thriving community. Creating housing to welcome the next generation of Pleasantonians is an exciting opportunity for our city.

We must keep working with those lemons thrown at us by the State and turning them into lemonade. The State and regional organizations that implement State laws must come to terms with the fact that every community is unique. One size does not fit all when it comes to land use.

Speaking of housing, let's talk about East Pleasanton. Last year was a period of great introspection about the future of East Pleasanton.

The overwhelming consensus is that it is prudent to move forward with this process to ensure that future development on the East Side reflects our community's values about growth and open space preservation.

Last year, we re-considered land use alternatives that do not include high-density housing. We evaluated several new alternatives based on economic feasibility and traffic impacts, and we reduced the number of housing units in the base plan. We also confirmed a few plan alternatives that can be analyzed in the Environmental Impact Report. Those plans do NOT include the highest density alternative, by the way, and one alternative would preserve most of the Specific Plan Area as park space.

In 2015, we'll finish up the EIR and continue to talk with the community to learn what our residents think. That input is a critical component of the final recommendation of the Task Force to the City Council, and we look forward to seeing it. Please don't ask us to wait until the State has handed us another bushel of lemons to plan the East Side. Let's make our lemonade now!

So let's discuss how we fit into the larger picture of the economy. The national economy powered ahead this past year...while the global economy did and is still...sputtering. And this is why our strategy of being fiscally conservative here in Pleasanton is SO important. We can't control many things that affect the world economy: oil prices for one; natural disasters and wars; housing bubbles; and even the ongoing debate of whether Greece will leave the Eurozone.

Our goal is to protect Pleasanton from all of the above by doing a thorough analysis and evaluation of how we spend your tax dollars...and we don't steer off that course. To that end, last year we approved a long-term fiscal plan to make sure that revenues match and/or exceed expenditures over the next decade. In this way, we can fund vital services such as public safety, maintenance of our parks and library services, while also setting aside funds each year to meet our long-term obligations and face economic uncertainties.

The economy in Pleasanton is very robust. Our unemployment rate of 2-point-8 percent, is the envy of many other parts of the State and Nation right now. Pleasanton's commercial office market vacancy rate was 14-point-2 percent at the end of 2014. That compares to 15-point-4-percent two years ago, so we're heading in the right direction.

The commercial market in the region is very active right now and net absorption of vacant office and industrial space in the city is strong, with more than 140,000 square feet of space absorbed in 2014. This included two large lease transactions at Rosewood Commons by Ellie Mae and Astex Pharmaceuticals, a relocation by Morgan Stanley to Hacienda Terrace, and Specialty's Café's relocation of its corporate headquarters to our city. We also welcomed Blackberry's entry as a new tenant to the market in the Bernal Corporate Park.

There were some important investment sales of commercial real estate over the past year as well, starting with the one-million plus square foot purchase of the California Center campus by Swift Real Estate Partners and a 92,000 square foot building at 5860 Owens Drive that will be converted to an outpatient medical facility for the partnership of San Ramon Regional Medical Center and John Muir Health.

You may have seen a recent article in the [*San Francisco Business Times*](#) that profiled Pleasanton as an emerging destination for biotech firms. We offer more affordable rents than South San Francisco while still providing access to the rest of the Bay Area. This growing success is the result of both our strategic location and a concerted effort to market to this industry sector by the City, the Chamber, and Hacienda.

Coming in the next year, CarMax, Chrysler-Jeep-Dodge and Pacific Pearl are preparing to locate at Staples Ranch. Workday is also expanding in Pleasanton and we are very proud to be their headquarter city. Mercedes Benz of Pleasanton and Lexus of Pleasanton, two of our very popular luxury car dealers, underwent large renovations to their showrooms and facilities last year.

While there are a few unfilled spaces in our treasured downtown, the vacancy rate at the end of 2014 is now just above 3%, down from 6% in 2013. In that time, several notable changes have taken place, including the new development that will replace the Pastime Pool building on Main Street. Construction has started on this beautiful project that will be home to a wine and tapas bar called Sabio on Main, the new concept Starbucks Evening and Sotheby's Venture International real estate office, as well as a new public plaza. All this is complemented by several new restaurants that will open in the coming months in the downtown.

Residential home values continued to climb again last year in the Bay Area, which is the hottest real estate market in the nation right now according to the National Association of Realtors. Pleasanton's real estate market is also feeling the heat! According to Bay East Association of Realtors, the median sale price for a single family Pleasanton home in 2014 was \$917,500! That's up from \$900,000 in 2013!

Last year, Pleasanton experienced a net taxable value increase of 5.8% for the 2014/15 tax roll...which translates to a one *billion* dollar assessed value increase over the previous year.

2014 was a busy year, and a dry one as I'm sure you all remember. The current drought is historical, one for the record books. Researchers from the University of Minnesota, where they have plenty of water and snow, by the way, say that the current drought is the worst California has seen in more than *1,200 years*, according to an analysis of tree ring and soil moisture data. I think most of us would agree that it's changed the way we think about using water.

A broad public outreach effort by the City to encourage water conservation was successful in 2014. We asked our water users to save 25% and they went even further and saved 27% of their water use over the previous year. Unless it rains soon, and a lot, for a long time, we can expect another year of drought and water conservation is now our new norm.

We are working collaboratively with the other water retailers in the region to hammer out a long-term water storage plan for potable water so that we are prepared in the future.

We also adopted a Recycled Water Master Plan that includes agreements with DSRSD and the City of Livermore to provide recycled water supplies for landscape irrigation. Val Vista Community Park was first to get recycled water, and the Staples Ranch area.

We're also working to use recycled water to irrigate the business park at Hacienda and the Ken Mercer Sports Park, so stay tuned. And keep up the good work on conserving, we aren't through this yet and it will take a collective effort!

More on the good news front came late in the year when ValleyCare Health System approved an affiliation with Stanford Health Care. This merger will have a profound impact on maintaining a high quality of health care in our region, and we are very grateful to all those involved in bringing it about.

Last year I told you that we were committed to researching incentives for partnerships with local businesses for City projects as a way to support local industry while ensuring that we stay competitive. We actually checked two of these boxes with the development of two innovative projects.

Working together with the Chamber of Commerce, Hacienda, Innovation Tri-Valley, and i-Gate, we assisted with the launch of Innovate Pleasanton last October. This new business accelerator hosts entrepreneurs in a dynamic environment with access to investors and network of mentors.

Also, working towards maximizing development opportunities within Pleasanton, city staff created a pilot Economic Development Zone. Located on Johnson Drive, the goal is to encourage future investment in the area vacated when Clorox relocated its technology center to a larger campus in the city.

We continue to address the issue of traffic congestion. Consistent with the General Plan, we designed and constructed new on and off ramps at I-680 and Bernal Avenue and I-580/Foothill Road to improve circulation during the morning and evening commutes.

Improving congestion on the regional roadways also benefits the internal circulation on our streets and I worked very hard as a member of the Alameda County Transportation Commission to secure funding to widen State Route 84 to a four-lane roadway between Pigeon Pass and I-680.

The passage of Measure BB on last November's ballot now opens that vision to reality. This 30-year Transportation Expenditure Plan will generate \$7-point-8 billion dollars to improve and maintain the transportation infrastructure and systems in the county. Improving bicycle and pedestrian safety is one of the priorities of the tax, and it's also one of our priorities here in Pleasanton, to create a more pedestrian and bicycle-friendly landscape.

In the past two years, 3-point-6 miles of new bicycle lanes were added to our roadways, and it didn't go unnoticed. Last year, Pleasanton was named a "Bicycle Friendly Community" by the League of American Bicyclists!

In the spirit of energy savings and safety, we began an LED street light replacement program throughout the City. So far, all of the 5,400 street lights have been converted, including the ones in Hacienda, through this joint project. The new L-E-D bulbs are expected to last about 5 times longer than the high pressure sodium fixtures we have been using *and* they'll save us about \$200,000 a year in energy and maintenance costs.

One of the many amenities Pleasanton offers is vast open space and many well-groomed parks. We made progress on Bernal Community Park last year. Phase Two of the park was in the design stage and we expect to award a construction contract in the very near future. This second phase of the park will include three all-weather lighted multi-purpose sports fields. Also in this phase of the park is field seating, parking, a picnic area and playground, and a 40-acre oak woodland with trails and open space.

Speaking of open space, we also worked with East Bay Regional Park District last year to acquire the Castleridge ridge property, 231 acres, as permanent open space along the Pleasanton Ridge. We also secured the 22-acre Austin property as city-owned open space to complement the adjacent Alviso Adobe Community Park.

Last year we also began the initial planning stages for improvements to Lion's Wayside and Delucchi Parks, as well as a strategic plan for Alviso Adobe Community Park.

Last year I shared that the City Council had implemented performance measurements for the delivery of city services in key areas such as Financial Stability, Public Safety, Dependable Infrastructure, Community and Economic Development, and Community Services. I'm pleased to report that we are meeting and exceeding those targets thanks to a dedicated staff and engaged citizenry.

Let me give you a few examples: in the public safety area, our target emergency response time is 4 minutes; we now have an average response time of three minutes and 30 seconds (3:30). We also met our target for consumption of electricity at all City facilities and, as you have heard, we led by example in reducing our water consumption.

And with an eye toward increasing revenues, sales tax revenues, property tax revenues, hotel/motel tax revenues, business licenses revenues and development fees revenues were all over our target – a sure sign of confidence in the economic climate!

Finally, connecting with our residents, businesses and visitors is paramount to us. We want you to be able to find the information that you need *and* we want to hear from you. In order to facilitate that process, we launched a new website in the past months at www.cityofpleasantonca.gov. It has a contemporary new look, and offers quick access to city services and information, easier navigation, and even integrates with other social media outlets used by the City. It's impressive and I hope you all take a visit soon to cityofpleasantonca.gov!

Last year we also launched the new Mobile Citizen app. It's a web-based application that allows users to notify city staff about maintenance issues such as potholes, graffiti, broken water sprinklers, clogged storm drains, streetlight outages, and more. This app can be downloaded for free to an Android or Apple smart phone. Our greatest asset is our engaged citizenry. We want to hear from you.

We also unveiled another smart phone powered app that allows you to explore all the public art in Pleasanton. It's called "STORY". The free app is accessed at www.stqry.com. Check it out for a way to learn the exact location of each public art piece, photos, and details on its history and artist.

CONCLUSION:

In closing, 2014 was a year of planning. 2015 will see implementation of some of our plans as we break ground on Phase Two of Bernal Community Park, and getting community input on the future of East Pleasanton. We'll also explore opportunities to build a much-needed new library and civic center that will meet the needs of our current and future residents.

We have much to look forward to in 2015. Each year in the State of the City speech, we confirm the City's goals going forward into the coming year.

Pleasanton was named one of the Best Places to Live because it is one of the best places to live in. We stand on the shoulders of those who came before us, like Ken Mercer, and honor them as we chart our course. We prepare the path forward for those who will take up the torch after us, our children, who want to live in our great town.

Pleasanton is all of us working together, the past, the present and the future. **THIS** is what makes Pleasanton one of the Best Places to Live.

God bless Pleasanton, our nation, our troops who defend our way of life all over the world. Thank you all so much!